PUBLIC ACCOUNTS

OF THE

GOVERNMENT OF NUNAVUT

FOR THE YEAR ENDED MARCH 31, 2011

HONOURABLE KEITH PETERSON

Minister of Finance

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THE HONOURABLE EDNA ELIAS
COMMISSIONER OF NUNAVUT

I have the honour to present the Public Accounts of Nunavut for the fiscal year ended March 31, 2011. I would ask that these accounts be laid before the Legislative Assembly in accordance with the *Financial Administration Act*, R.S.N.W.T. 1988, c.F-4, S. 74 as amended, and duplicated for Nunavut, and the *Nunavut Act*, S.C. 1993, C.28, s.44.

The Honourable Keith Peterson
Minister of Finance

Government of Nunavut
Iqaluit, Nunavut

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GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
March 31, 2011

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SECTION I

CONSOLIDATED FINANCIAL STATEMENTS

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MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of these consolidated financial statements for the Government of Nunavut, and related information contained in the Public Accounts, is the responsibility of management through the Department of Finance.

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) for governments recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. When GAAP permits alternative accounting methods, management has chosen those it believes are most appropriate. Where required, management's best estimates and judgments have been applied in the preparation of these consolidated financial statements.

The Government fulfills its accounting and reporting responsibilities, through the Department of Finance, by maintaining systems of financial management and internal control. These systems are continually enhanced and modified to provide accurate information, to safeguard and control the Government's assets, and to ensure that all transactions are in accordance with the *Financial Administration Act*.

The Public Accounts are referred to the Standing Committee on Oversight of Government Operations and Public Accounts after they have been tabled in the Legislative Assembly. The recommendations of this Committee will be reviewed and acted upon, where appropriate, to improve financial management, financial reporting practices and the systems of internal control.

The Auditor General of Canada conducts an annual audit of the consolidated financial statements in order to express an opinion as to whether the statements present fairly, in all material respects, the financial position, results of operations and accumulated surplus, change in net financial assets (debt) and cash flow for the year. During the course of the audit, he also examines transactions that have come to his notice, to ensure that they are, in all significant respects, within the statutory powers of the Government and those organizations included in the consolidation. The Auditor General's opinion is included with the consolidated financial statements.

Chris D'Arcy
Deputy Minister of Finance

Jeff Chown, CA
Comptroller General

December 5, 2011

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INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of Nunavut

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Government of Nunavut, which comprise the consolidated statement of financial position as at 31 March 2011, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net debt and consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

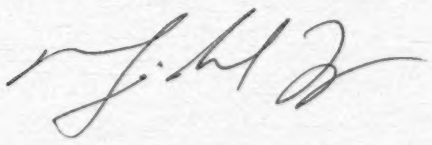
.../2

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Government of Nunavut as at 31 March 2011, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Report on Other Legal and Regulatory Requirements

In my opinion, the transactions of the Government of Nunavut and those organizations listed in Note 1 to the consolidated financial statements that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with the Government of Nunavut's powers under the *Nunavut Act*, the *Financial Administration Act* of Nunavut and regulations and the specific operating authorities disclosed in Note 1 to the consolidated financial statements.



Michael Ferguson, FCA
Auditor General of Canada

5 December 2011
Ottawa, Canada

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Financial Position
as at March 31, 2011
(in thousands of dollars)

	2011	2010
Financial assets		
Cash and cash equivalents (Note 3)	272,009	250,327
Portfolio and other investments (Note 4)	13,571	15,541
Due from the Government of Canada (Note 5(a))	77,461	85,750
Other revenues receivable (Note 5(b))	74,669	88,249
Inventories for resale (Note 6(a))	109,576	93,243
Loans receivable (Note 7)	15,457	15,860
Total financial assets	562,743	548,970
Liabilities		
Accounts payable and accrued liabilities (Note 8)	291,824	272,521
Other employee future benefits (Note 9(a))	24,422	19,956
Pension liabilities (Note 9(b))	6,158	5,454
Long term debt (Note 10)	88,057	85,608
Capital lease obligations (Note 11)	88,942	97,755
Deferred revenue and capital contributions (Note 12)	354,501	282,324
Total liabilities	853,904	763,618
Net debt	(291,161)	(214,648)
Non-financial assets		
Tangible capital assets (Schedule B)	1,742,000	1,597,835
Inventories for use (Note 6(b))	16,333	12,307
Prepaid expenses (Note 19)	13,950	3,788
Total non-financial assets	1,772,283	1,613,930
Accumulated surplus	1,481,122	1,399,282

Contractual obligations (Note 14)
Contingencies (Note 15)

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Operations and Accumulated Surplus
for the year ended March 31, 2011
(in thousands of dollars)

	2011 Budget	2011 Actual	2010 Actual
Revenues (Schedule A)			
From the Government of Canada	1,302,857	1,310,552	1,231,864
Revenues generated by the Government of Nunavut	270,095	327,524	308,201
Total revenues	1,572,952	1,638,076	1,540,065
Expenses (Note 13)			
Health and Social Services	309,556	360,518	351,513
Community and Government Services	364,453	344,271	318,098
Education	234,452	260,248	244,696
Nunavut Housing Corporation	178,931	202,676	194,048
Finance	204,668	125,686	146,316
Justice	104,554	83,570	77,714
Economic Development and Transportation	51,515	78,183	75,770
Environment	24,361	25,997	23,435
Culture, Language, Elders and Youth	36,619	22,904	21,847
Human Resources	22,792	19,425	21,053
Executive and Intergovernmental Affairs	20,881	16,498	14,678
Legislative Assembly	17,077	16,260	16,574
Total expenses	1,569,859	1,556,236	1,505,742
Surplus for the year	3,093	81,840	34,323
Accumulated surplus, beginning of the year		1,399,282	1,364,959
Accumulated surplus, end of the year		1,481,122	1,399,282

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Change in Net Debt
for the year ended March 31, 2011
(in thousands of dollars)

	2011 Budget	2011 Actual	2010 Actual
Surplus for the year	3,093	81,840	34,323
Tangible capital assets (Schedule B)			
Additions	(213,548)	(233,555)	(243,735)
Disposals	-	1,702	6,867
Amortization	72,946	87,688	77,000
	(140,602)	(144,165)	(159,868)
Net use (additions) of inventories for use	-	(4,026)	3,583
Net use (additions) of prepaid expenses	-	(10,162)	314
	-	(14,188)	3,897
Change in net debt for the year	(137,509)	(76,513)	(121,648)
Net debt, beginning of the year		(214,648)	(93,000)
Net debt, end of the year		(291,161)	(214,648)

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Cash Flow
for the year ended March 31, 2011
(in thousands of dollars)

	2011	2010
Cash provided by (used for) government operations:		
Transfers from the Government of Canada	1,417,252	1,307,428
Taxes	72,772	59,066
Other government revenues	203,952	216,901
Interest payments on long term debt	(5,455)	(5,581)
Interest payments on capital leases	(6,707)	(7,521)
Compensation and employee benefits	(476,640)	(435,787)
Grants and contributions	(168,443)	(168,361)
Goods and services	(778,030)	(788,680)
Cash provided by (used for) government operations	258,701	177,465
Cash provided by (used for) capital activities:		
Tangible capital asset acquisitions	(236,609)	(250,128)
Tangible capital asset disposals	491	3,611
Cash provided by (used for) capital activities	(236,118)	(246,517)
Cash provided by (used for) investing activities:		
Loan repayments received	6,108	10,919
Portfolio and other investments	2,964	(538)
Loans to municipalities, businesses and individuals	(4,335)	(781)
Cash provided by (used for) investing activities	4,737	9,600
Cash provided by (used for) financing activities:		
Increase principal on long term debt	8,000	-
Principal payments on capital leases	(7,577)	(10,448)
Principal payments on long term debt	(6,061)	(5,237)
Cash provided by (used for) financing activities	(5,638)	(15,685)
Increase (decrease) in cash and cash equivalents	21,682	(75,137)
Cash and cash equivalents, beginning of the year	250,327	325,464
Cash and cash equivalents, end of the year (Note 3)	272,009	250,327

The accompanying notes and schedules are an integral part of these consolidated financial statements.

1 AUTHORITY AND OPERATIONS

Authority and reporting entity

The Government of Nunavut (the Government) operates under the authority of the *Nunavut Act* (Canada). The Government has an elected Legislative Assembly which authorizes all disbursements, advances, loans and investments, except those specifically authorized by statute.

These consolidated financial statements are prepared to meet the financial reporting requirements in the *Nunavut Act* (Canada) and the *Financial Administration Act* (Nunavut). The consolidated financial statements present summary information and serve as a means for the Government to show its accountability for the resources, obligations and financial affairs for which it is responsible.

The reporting entity of the Government of Nunavut includes all departments, agencies, corporations, organizations, and funds, which are controlled by the Government. For financial reporting purposes, control is defined as the power to govern the financial and operating policies of an organization with benefits from the organization's activities being expected, or the risk of loss being assumed by the Government. All organizations that meet the definitions in the *Financial Administration Act* for departments, revolving funds, territorial corporations or other public agencies are included in the reporting entity (except for the Workers' Safety and Compensation Commission). The financial activities of all these entities are consolidated in these financial statements.

The following organizations comprise the reporting entity represented by these consolidated financial statements. Unless indicated otherwise they have March 31st year ends. These organizations are accountable to and are controlled by the Government.

	Authority for Operations
Consolidated Revenue Fund, including those departments and public agencies set out in the Government's Main Estimates	*Financial Administration Act*
Revolving Funds	*Revolving Funds Act*
Liquor Revolving Fund	
Nunavut Outfitters Liability Protection Revolving Fund (*wound up effective February 25, 2011*)	
Petroleum Products Revolving Fund	
Public Stores Revolving Fund	
Student Loan Fund	
Territorial Corporations	
Nunavut Arctic College *(June 30th year end)*	*Public Colleges Act*
Nunavut Business Credit Corporation	*Nunavut Business Credit Corporation Act*
Nunavut Development Corporation (including subsidiaries)	*Nunavut Development Corporation Act*
Nunavut Housing Corporation (including subsidiaries)	*Nunavut Housing Corporation Act*
Qulliq Energy Corporation	*Qulliq Energy Corporation Act*
District Education Authorities *(June 30th year end)*	*Education Act*

All entities included in the reporting entity are fully consolidated on a line-by-line basis. Significant transactions and balances between consolidated entities are eliminated.

For segmented disclosure reporting purposes, summary information has been provided based on the accountability and control relationships between the Government and the various organizations within the reporting entity using categorization or groupings of organizations noted above.

Budget

Generally accepted accounting principles (GAAP) for the public sector in Canada requires a government to present in its financial statements a comparison of the results of operations and changes in net financial assets (debt) for the period with those originally planned.

The Government's annual budget presented to the Legislative Assembly is not prepared on a consolidated basis. As a result, the budget figures included in these consolidated financial statements are based on the summary totals provided on pages x through xiii of the 2010-2011 Main Estimates and the approved annual budgets for the consolidated entities, adjusted to eliminate budgeted inter-entity revenues and expenses as well as significant accounting policy differences. Where necessary, assumptions were used to estimate the inter-entity eliminations and accounting policy adjustments required.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Financial statements

These financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP) for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA) as required by Section 45 of the *Nunavut Act*. Accordingly, the Government has adopted the recommendations of the PSAB as the primary basis of its accounting policies.

(b) Use of estimates and measurement uncertainty

The preparation of financial statements in accordance with GAAP requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates and assumptions are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these financial statements, the Government believes the estimates and assumptions to be reasonable.

The more significant management estimates relate to employee future benefits, environmental liabilities, contingencies, revenue accruals, amortization expenses and valuation allowances on loans and other receivables.

(c) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques, and short term highly liquid investments that are readily convertible to cash and usually with a maturity date of 180 days or less from the date of acquisition.

(d) Portfolio investments

Portfolio investments are long term investments in organizations that do not form part of the government reporting entity and are accounted for by the cost method. Such investments are normally in shares or bonds of the investee. Where there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss, which is included as a component of investment income, which is part of other revenues within revenues generated by the Government of Nunavut. Interest income is recorded on the accrual basis, dividend income is recognized as it is declared, and capital gains and losses are recognized when realized.

(e) Inventories

Inventories for resale include bulk fuel, liquor products and finished goods. Bulk fuel and finished goods are valued at the lower of weighted average cost or net realizable value. Liquor products are valued at the lower of cost or net realizable value on a first-in, first-out basis.

Inventories for use include fuel, supplies and lubricants, health and medical supplies, and raw materials and work in progress. Fuel inventory is valued at the lower of cost or replacement cost, with the cost being determined on a weighted average basis. Supplies and lubricants, health and medical supplies, as well as raw materials and work-in-progress inventory items are valued at the lower of cost or replacement costs, with the cost being determined on a first-in, first-out basis.

(f) Loans receivable

Loans receivable are valued at the lower of cost or net recoverable value. Based on the circumstances known at the date the consolidated financial statements are prepared, including past events and current conditions, valuation allowances are recorded when collection is considered doubtful or when the value of a loan receivable is impaired. Interest revenue is recorded on an accrual basis when the collectability of both principal and interest are reasonably assured. An uncollectable or impaired loan receivable balance can be written off only upon receipt of required statutory approvals.

(g) Non-financial assets

Non-financial assets, including tangible capital assets, inventories for use and prepaid expenses, are recognized on the consolidated Statement of Financial Position only if they are expected to be used to provide government services in future years. These assets would not normally be used to provide financial resources to discharge liabilities of the Government unless they were sold. Non-financial assets are amortized or charged to expenses in future periods as they are used to provide or support the provision of government services.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Tangible capital and leased assets

Tangible capital assets are non-financial assets whose useful life exceeds one fiscal year and are intended to be used on an ongoing basis for delivering government services. They may include such diverse items as buildings, vehicles, equipment, aircraft and computer hardware and software systems. Tangible capital assets with a cost of less than fifty thousand dollars are fully expensed in the year of acquisition.

Tangible capital assets are recorded at cost, or where actual cost is not available, estimated current replacement cost converted back to the date of purchase by discounting current year dollars for inflation. Gifted and cost-shared tangible capital assets are recorded at fair market value upon receipt or cost, respectively, with the gifted or cost-shared portion recorded as a deferred capital contribution, and recognized as revenue on the same basis as the related asset is amortized.

Leased assets that meet the definition of a tangible capital asset, except that they are held under lease by the Government, are capitalized and reported as such if, in substance, their terms and conditions transfer substantially all of the benefits and risks of ownership to the Government. Legal ownership may not necessarily have been transferred. The lease liability and corresponding asset are recorded based on the present value of payments due over the course of the lease. The present value is based on the lower of the rate implicit in the lease or the Government's incremental borrowing rate at the time the obligation is incurred.

Tangible capital assets, when placed into service, are amortized on a straight-line basis over their estimated useful life. The assets are amortized based on the following guidelines.

Asset Category	Amortization Period
Land	Not amortized
Buildings	30 years
Leased Buildings	30 years
Infrastructure	30 years
Tank Farms	30 years
Storage Facilities	30 years
Equipment	5-30 years
Electric Power Plants	20-40 years
Transmission Distribution Systems	20-40 years
Heavy Equipment	5-40 years

In the year a tangible capital asset is acquired or put into service, amortization is taken for the full year. Tangible capital assets under construction or development are recorded as work in progress with no amortization taken until the year the asset is placed into service.

Tangible capital assets acquired by right, such as Crown lands, water and mineral resources, are not recorded in the financial statements. The cost of works of art and museum collections consisting mainly of paintings, sculptures, drawings, prints and photographs are charged to expense in the year they are acquired.

(i) Pension and other employee future benefits

Pension benefits

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Government contributes at a rate of 1.98 times (2010 - 2.14 times) the employee's contribution. The Government's contributions are charged as an expense on a current year basis and represent the total pension obligations. The Government is not required under present legislation to make contributions with respect to actuarial deficiencies of the Plan.

The costs and obligations for the Government's pension benefits to Members of the Legislative Assembly are determined on an actuarial basis. This is done to determine the present value of future entitlements and uses various estimates. When actual experience varies from estimates, the adjustments needed are amortized over the estimated average remaining service lives of the contributors.

Non-pension employee future benefits

Under the terms and conditions of employment, Government employees may earn severance and removal benefits based on years of service. These benefits are paid upon resignation, retirement or death of the employee. The estimated liability and related expenses for these benefits are recorded as employees earn them. An actuarial valuation of the cost of these benefits has been prepared using data provided by management and assumptions based on management's best estimates. Termination benefits are recorded when employees are identified for lay-off.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Revenues

Unless otherwise stated, all revenues are recognized and reported on an accrual basis in the period in which transactions or events give rise to the revenues. Specific revenue accounting policies are as follows:

Transfers from the Government of Canada

Grants from the Government of Canada are recognized as revenue when entitlement for the transfer occurs. The formula for the principle-based Territorial Formula Financing grant is legislated by the *Federal-Provincial Fiscal Arrangements Act (Canada)*. Health and social transfers are recorded in accordance with this Act. Adjustments for health and social transfer revenues are made in the year they are known.

Other transfers from the Government of Canada are recognized as revenue in the period that the events giving rise to the transfer occur as long as: (i) the transfer is authorized; (ii) the Government has met any eligibility criteria; and (iii) a reasonable estimate of the amount of the transfer can be made. Transfers received before these are fully met are recorded as deferred revenue until the criteria are met.

Taxes and general revenues

Income tax revenue is recognized on an accrual basis. Taxes, under the *Income Tax Act*, are collected by the Government of Canada on behalf of the Government under a tax collection agreement and are remitted to the Government monthly. The remittances are based on the Government of Canada's estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are finalized.

Fuel, tobacco and payroll taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act* and the *Payroll Tax Act*, respectively. Revenues are recognized on an accrual basis based on the statements received from collectors or employers. Adjustments from reassessments are recorded in revenue in the year they are identified.

Property taxes are assessed on a calendar year basis and are recorded on an accrual basis in the fiscal year in which the calendar year ends.

Other taxes are accrued based on information provided by those parties which collect tax on the Government's behalf.

Recoveries of prior years expenditures

Recoveries of prior years expenditures, including reversals of prior years expenditure over-accruals, are reported as revenues in the consolidated financial statements. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenditures.

(k) Expenses

Expenses are recorded on an accrual basis.

Grants and contributions are recorded as expenses when the following criteria are all met: (i) the grant or contribution has the necessary authorization; (ii) the recipient has met any eligibility criteria; and (iii) a reasonable estimate of the amount of the expense can be made. Grants or contributions paid prior to all three conditions being met are accounted for as prepaid expenses until all conditions are met by the recipient.

(l) Contractual obligations and contingencies

The nature of the Government's activities requires negotiation of contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual obligations pertain to block funding agreements with municipalities, operating commercial leases, capital projects and operational funding commitments. Contractual obligations are not accrued until the terms of those contracts or agreements are met.

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur and is quantifiable, an estimated liability is accrued. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements and no liability is accrued. Contingent liabilities result from potential environmental contingencies or pending litigation and like items.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Environmental liabilities

Environmental liabilities consist of the estimated costs related to the remediation of environmentally contaminated sites. An environmental liability is accrued and an expense recorded based on management's best estimates at the time the contamination occurs or when the Government becomes aware of the contamination and is obligated or is likely obligated to incur such costs. If the likelihood of the Government's obligation to incur these costs is not determinable or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements and no liability is accrued. Environmental liabilities are reported as part of accounts payable and accrued liabilities. The Environmental liabilities are reassessed on an annual basis.

(n) Financial instruments

The fair values of short term financial instruments, including accounts payable and accrued liabilities, cash and cash equivalents, portfolio and other investments (with terms of maturity of less than 12 months), due from the Government of Canada and other revenues receivable approximate their carrying amounts because of their short term to maturity.

The fair value of the Government's long term financial instruments, including long term debt, capital lease obligations, pension liabilities, other employee future benefits, portfolio and other investments (with terms of maturity of greater than 12 months), and loans receivable, are detailed in the related notes. Where fair value amounts are not detailed, the carrying amounts approximate their fair value.

3 CASH AND CASH EQUIVALENTS

	2011	2010
Cash	162,031	72,199
Designated cash	1,557	1,089
Short term investments	108,421	177,039
	272,009	250,327

Designated cash represents funds reserved for further investments or financing for subsidiary business enterprises and venture investments.

Cash and cash equivalents include investments in a diversified portfolio of high grade, short term income producing assets. The portfolio yield for the year ended March 31, 2011 varied from 0.12% to 2.5% (2010 - 0.11% to 2.5%). All instruments held are in high quality debt obligations, rated R-1 Low or better by DBRS (i.e., formerly known as the Dominion Bond Rating Service), with an average term to maturity of 112 days (2010 - 84 days).

4 PORTFOLIO AND OTHER INVESTMENTS

Portfolio and other investments include the following at March 31.

Portfolio investments	2011 Effective Rate of Return	2011 Term to Maturity	2011 Carrying Value	2010 Carrying Value
Government of Canada	variable	1 to 7 years	1,026	1,026
Provincial Governments	4.33%	1 to 8 years	5,617	8,118
			6,643	9,144
Other investments				
Venture investments			250	250
SRAF designated investments			6,678	6,147
			13,571	15,541

The market value of the portfolio investments at March 31, 2011 was $6,735 (2010 - $9,131), with an average yield in 2011 of 4.36% (2010 - 4.36%).

4 PORTFOLIO AND OTHER INVESTMENTS (continued)

The Supplementary Retiring Allowances Fund (SRAF) of the Legislative Assembly investments cannot be used to discharge other obligations incurred by the Government. The investments are managed by a third party. The Statement of Investment Policy establishes the eligible classes of securities, categories of issuers, limits and terms. The market value of SRAF investments at March 31, 2011 was $7,360 (2010 - $6,374) with a positive return of 10.69% (2010 - 23.16%).

Venture investments include 250 Class D Preferred Limited Partnership units with a fixed cumulative annual distribution of 6.25% based on its investment. The shares are redeemable in March 2015.

5 REVENUES RECEIVABLE

(a) Due from the Government of Canada	2011	2010
Health Canada	13,860	19,389
Infrastructure Funds	714	259
Goods and Services Tax	8,305	7,332
Official Languages	3,692	3,683
Transport Canada Programs	2,473	3,553
Canada Mortgage and Housing Corporation	985	3,452
Aboriginal Affairs and Northern Development Canada	14,739	19,275
Other receivables	32,693	28,807
	77,461	85,750

(b) Other revenues receivable	2011	2010
Other accounts receivable of the Petroleum Products Division	31,751	27,798
Other accounts receivable of other departments	27,512	24,918
Other accounts receivable of the Territorial Corporations	48,140	69,901
	107,403	122,617
Less: Allowance for doubtful accounts	(32,734)	(34,368)
	74,669	88,249

6 INVENTORIES

(a) For resale	2011	2010
Bulk fuels	105,533	88,954
Liquor products	1,572	1,822
Finished goods	2,082	1,945
Packaging materials and supplies	389	522
	109,576	93,243

The write-down for bulk fuels inventory for 2011 was $703 (2010 - $849).

(b) For use	2011	2010
Fuel	8,201	5,250
Supplies and lubricants	5,367	4,408
Health and medical supplies	2,263	2,251
Raw materials and work in progress	502	398
	16,333	12,307

7 LOANS RECEIVABLE

	2011	2010
Mortgage loans from Nunavut Housing Corporation to individuals with a maximum maturity of 25 years, bearing interest between 5.19% and 14.25% (2010 - 6.0% and 14.25%), net of valuation allowance of $10,493 (2010 - $7,005) and subsidy to mortgage holders of $14,419 (2010 - $20,472)	1,932	2,452
Loans from Nunavut Business Credit Corporation to businesses with a maximum maturity of 25 years, bearing interest between 4.25% and 8.5% (2010 - 2.57% and 10.25%), net of valuation allowance of $912 (2010 - $1,075).	12,222	11,790
Loans to municipalities due in instalments to 2017, bearing interest between 0% and 8%, net of valuation allowance of $nil (2010 - $100).	6	347
Student Loan Fund loans due in instalments to 2017, bearing interest between 2.75% and 12.5%, net of allowances for valuation and forgiveness of $3,862 (2010 - $3,672).	1,297	1,233
Other, Qikiqtaq Co-op Mall Mortgage, net of valuation allowance of $64 (2010 - $304).	-	38
	15,457	15,860

8 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2011	2010
Payable to related parties		
Workers' Safety and Compensation Commission	641	387
Other		
Accounts payable	120,921	118,001
Accrued environmental liabilities	10,631	10,638
Accrued liabilities, payroll deductions and contractor holdbacks	109,138	94,256
Vacation pay and lieu time	28,070	20,530
Due to the Government of Canada	20,853	22,624
Due to the Government of the Northwest Territories	1,570	6,085
	291,183	272,134
	291,824	272,521

9 PENSION AND OTHER EMPLOYEE FUTURE BENEFIT LIABILITIES

(a) Other employee future benefit liabilities

	2011	2010
Severance	13,773	9,295
Removal	10,649	10,661
	24,422	19,956

(b) Pension liabilities

i) Public Service Pension Plan

Both the Government and its employees make contributions to the Public Service Pension Plan administered by the Government of Canada. In 2011, the Government's contributions were $35,208 (2010 - $30,817).

The amount of the Government's contributions is set by the Government of Canada and represents the Government's sole obligation under this Plan. The Government is not required under present legislation to make contributions with respect to actuarial deficiencies of the Plan.

ii) Legislative Assembly Retiring Allowances Plans

The Government of Nunavut sponsors two defined benefit pension plans for Members of the Legislative Assembly (MLAs). Both plans are administered by the Management and Services Board of the Legislative Assembly. The plans provide pensions based on length of service and final average earnings. They provide inflation protection based on increases in the Consumer Price Index.

9 PENSION AND OTHER EMPLOYEE FUTURE BENEFIT LIABILITIES (continued)

The first plan is the Legislative Assembly Retiring Allowances Fund (LARAF), a registered and contributory defined benefit pension plan established under the *Legislative Assembly Retiring Allowances Act*. The Office of the Legislative Assembly operates a separate pension fund in trust to administer LARAF contributions and allowances. The fund came into effect on April 1, 1999.

The second plan is the Supplementary Retiring Allowances Fund (SRAF), a voluntary non-registered, non-contributory defined benefit pension plan established under the *Supplementary Retiring Allowances Act* for MLAs who elect to participate. Payments and expenses related to the SRAF are paid from the Government's consolidated revenue fund. This plan came into effect during the 2001-02 year, and provides for benefits retroactive to April 1, 1999.

There have been no plan amendments, plan settlements and curtailments or temporary deviations from these plans in 2011 (no changes in 2010).

Actuarial valuations were completed for these plans as of April 1, 2009. The valuations were based on a number of assumptions about future events including inflation rates (3.0%), interest rates (inflation, plus 3.5%), return on assets (inflation, plus 3.5%), increases in remuneration (inflation, plus 1%), and mortality. The assumptions used reflect the best estimates as approved by the Management and Services Board of the Legislative Assembly. The valuations were performed using the projected unit credit actuarial cost method. The asset valuation method, market-related value, for the LARAF plan is equal to a smoothed market value which spreads the difference between the actual and expected investment income over a four year period. The effective date of the next actuarial valuations for these plans is April 1, 2012.

Retirement benefits are payable to MLAs based on a percentage of the average best earnings over four consecutive years as a MLA and as a Minister, Speaker or Chairperson (if applicable) multiplied by credited service as a MLA and for each of the three positions (if applicable). A position must be held for a least one year, and the pension for each position is calculated separately. The percentages used to calculate retirement benefits are 2% for the LARAF and 3% for the SRAF.

The normal retirement age under both of these plans is the earliest of (a) age 60, (b) 30 years of service, or (c) age plus service equals 80. A MLA may retire at any time upon ceasing to be a MLA. Early retirement results in a pension reduction of 0.25% for each month a MLA retires before the normal retirement age. The late retirement age for MLAs is up to age 69.

The pension liabilities represent the excess of the actuarial present value of accrued pension benefits over the actuarial value of net assets available for benefits.

Based on information provided for the year by the plans' actuary, the MLA pension liabilities as of March 31 are as follows.

	LARAF	SRAF	2011	2010
Accrued benefit obligation	4,650	6,301	10,951	8,744
Deduct:				
Pension fund assets	4,795	-	4,795	3,493
Unamortized actuarial (gain) loss	17	(19)	(2)	(203)
	4,812	(19)	4,793	3,290
Pension (asset) liability	(162)	6,320	6,158	5,454

As at March 31, 2011, LARAF pension fund assets had a market value of $4,923 (2010 - $3,251). The actual rate of return was positive 10.54% (2010 - 23.86%). The SRAF has no pension fund assets; however, the pension liability is funded all or in part by designated investments (see Note 4).

LARAF and SRAF actuarial gains/losses are amortized over 2.8 years (2010 - 3.8 years) which is the estimated average remaining service lives for contributors to these plans.

9 PENSION AND OTHER EMPLOYEE FUTURE BENEFIT LIABILITIES (continued)

The total expenses related to MLA pensions include the following components.

	LARAF	SRAF	2011	2010
Current period benefit cost	623	906	1,529	1,365
Amortization of actuarial (gains) losses	212	(205)	7	97
	835	701	1,536	1,462
MLAs contributions	(188)	-	(188)	(175)
Pension expense	647	701	1,348	1,287
Interest cost on the average accrued benefit obligation	287	403	690	617
Expected return on the average pension plan assets	(299)	-	(299)	(198)
Pension interest expense	(12)	403	391	419
Total expenses related to pensions	635	1,104	1,739	1,706

Pension benefits paid for the LARAF and SRAF were $114 and $617, respectively (2010 - $1,181 and $754, respectively).

The Government's contributions related to the LARAF and SRAF during the year were $441 and $906, respectively (2010 - $1,840 and $821, respectively).

10 LONG TERM DEBT AND BORROWING AUTHORITY LIMIT

Loans and mortgages payable	2011	2010
Loans payable to Canada Mortgage and Housing Corporation, repayable in annual instalments of $5,142 to the year 2032, bearing interest at a rate of 6.97% (2010 - 6.97%).	17,436	18,415
Mortgage payable in annual instalments of $554 to the year 2020, bearing interest at a rate of 6.9% (2010 - 6.9%) compounded semi-annually. The mortgage is secured by a building. The carrying value of the security is $6,708 (2010 - $7,017)	3,894	4,172
Redeemable 20 year amortizing debenture, bearing interest at a rate of 6.809% (2010 - 6.809%) due September 27, 2021. Repayable in blended semi-annual payments of $2,848 with a balloon payment of $17,502 at the end of the term.	49,794	51,988
Non-revolving floating rate term loan facility with payments of $58 due monthly beginning April 30, 2007 with the final payment due March 30, 2017. Interest at bank prime less 0.5% in 2011 varied from 1.75% to 2.5% (2010 - 1.75% to 2.00%).	4,200	4,900
Non-revolving floating rate term loan facility with payments of $67 due monthly beginning November 21, 2007 with the final payment due October 21, 2017. Interest at bank prime less 0.5% in 2011 varied from 1.75% to 2.5% (2010 - 1.75% to 2.00%).	5,333	6,133
Non-revolving floating rate term loan facility with payments of $67 due monthly beginning July 25, 2010 with the final payment due July 25, 2020. Interest at bank prime less 0.5% in 2011 varied from 1.75% to 2.5%.	7,400	-
	88,057	85,608

Principal and interest amounts due in each of the next five fiscal years and thereafter are as follows.

	Principal	Interest	Total
2012	5,993	5,042	11,035
2013	6,250	4,757	11,007
2014	6,527	4,451	10,978
2015	6,821	4,127	10,948
2016	7,136	3,784	10,920
2017 and beyond	55,330	16,394	71,724
	88,057	38,555	126,612

Interest expense on long term debt was $6,031 for the year (2010 - $6,741). The interest paid on long term debt during the year was $5,455 (2010 - $5,581).

10 LONG TERM DEBT AND BORROWING AUTHORITY LIMIT (continued)

Borrowing Authority

The Governor in Council, pursuant to subsection 27(2) of the *Nunavut Act*, has approved Government borrowing up to $200 million.

	2011	2010
Qulliq Energy Corporation, long term debt	66,727	63,021
Nunavut Housing Corporation, long term debt	17,436	18,415
Government of Nunavut, mortgage payable	3,894	4,172
	88,057	85,608
Qulliq Energy Corporation, bank overdraft liability	17,099	10,597
Nunavut Development Corporation, subsidiary credit facilities	13	12
Total debt	105,169	96,217
Authorized borrowing limit	200,000	200,000
Available borrowing capacity	94,831	103,783

The Government of Nunavut guarantees the long term debt of Qulliq Energy Corporation and Nunavut Housing Corporation as well as the bank overdrafts of Qulliq Energy Corporation and Nunavut Development Corporation.

As part of their financing, Nunavut Development Corporation subsidiaries have arranged various credit facilities at different terms and interest rates. Nunavut Development Corporation has provided a guarantee for these credit facilities.

11 CAPITAL LEASE OBLIGATIONS

Capital lease obligations are based upon the minimum lease payments for leases in effect as of March 31.

	2011	2010
Total minimum lease payments	123,971	140,818
Less: imputed interest	(30,923)	(37,675)
Less: executory costs	(4,106)	(5,388)
Present value of minimum lease payments	88,942	97,755

Future minimum lease payments for each of the next 5 years and thereafter are as follows.

2012	16,702
2013	16,694
2014	16,014
2015	13,283
2016	11,242
2017 and beyond	50,036
	123,971

Lease payments are allocated between repayments of the liability, interest expense and any related executory costs. The total minimum lease payments less the initial liability and executory costs represents the total interest cost of the lease. The interest expense is calculated using the same discount rate used in computing the present value of the minimum lease payments applied to the outstanding lease liability at the beginning of the lease payment period.

Interest expense related to capital lease obligations for the year was $8,047 (2010 - $8,920) at an implied average interest rate of 9.0% (2010 - 9.1%). The capital lease obligations expire between 2013 and 2027.

12 DEFERRED REVENUE AND CAPITAL CONTRIBUTIONS

	2011	2010
Deferred revenue		
Provincial-Territorial Base Funding (Building Canada Fund)	57,184	56,642
Gas Tax Agreement	17,713	17,806
Other deferred revenue	4,807	5,769
	79,704	80,217
Deferred capital contributions		
CMHC Social Housing Agreement	172,660	112,139
CMHC other capital contributions	21,127	38,936
Other deferred capital contributions	81,010	51,032
	274,797	202,107
	354,501	282,324

The deferred capital contributions balance includes $172,660 (2010 - $112,139) relating to the 1999 Social Housing Agreement, under the terms of which the Canadian Mortgage and Housing Corporation (CMHC) transferred social housing assets to the Nunavut Housing Corporation (NHC) in exchange for loans payable by NHC to CMHC. The financial assistance provided to NHC in the transfer of the social housing assets has been deferred and is being recognized as revenue over the service life of the associated tangible capital assets.

13 EXPENSES BY TYPE

	2011	2010
Compensation and employee benefits	490,905	441,019
Grants and contributions	175,809	169,840
Goods and services	787,789	804,468
Amortization of tangible capital assets	87,688	77,000
Interest expense	11,740	12,919
Increase in valuation allowances	2,305	496
	1,556,236	1,505,742

14 CONTRACTUAL OBLIGATIONS

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2011.

	Year of Expiration	Total
Commitments under operating leases	2027	191,630
Capital commitments	2014	54,180
Policing agreement	2012	27,984
Other commitments	2018	43,718
		317,512

Contractual obligations by fiscal year are as follows.

2012	153,623
2013	43,328
2014	26,530
2015	19,533
2016	17,539
2017 and beyond	56,959
	317,512

15 CONTINGENCIES

(a) Post-division adjustments

The agreement governing the division of assets and liabilities between the Government of Nunavut and the Government of the Northwest Territories as at April 1, 1999 sets out a mechanism which provides for post-division adjustments.

The period for such adjustments is unlimited; and such adjustments could be made in a variety of specified circumstances such as the settlement of litigation related to events prior to the date of division. In such an event, there is an opportunity for one of the governments to file a claim against the other government to share in costs. Post-division adjustments will be recognized in the year the liability can be reasonably estimated.

(b) Environmental restoration costs

The Government recognizes that there are costs related to the restoration of any contaminated sites situated on lands within the Territory. Liabilities have been accrued in the consolidated financial statements when it has been determined that the Government is liable for a contaminated site and where a reasonable estimate of the remediation costs can be made. The Government's ongoing efforts to assess contaminated sites may result in additional environmental liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. Any additional liabilities will be accrued in the year in which they become known.

The Government will continue to implement a program of site inspection, assessment and remediation on an ongoing basis. To facilitate this, the Government has established a committee to ensure all existing and potential liabilities are identified and appropriate actions initiated. This is an ongoing process which should show continuous improvement each year as the Government continues to work in a practical manner towards the determination and appropriate recognition of its environmental liabilities within the Territory.

(c) Litigation

More individuals have come forward alleging abuse by a former school teacher in the Territory when it was part of the Northwest Territories. Pursuant to agreements negotiated prior to the division of the territories, the Nunavut and Northwest Territories governments will jointly defend the action. The costs of defending the action and any damages that may eventually be awarded will be shared by the two governments 44.34% and 55.66%, respectively. An estimate of the Government's share of the loss that may result from these suits has been accrued; however, the final outcome may vary significantly from this estimate.

In addition to the matter disclosed above, a number of new cases of alleged sexual abuse by former employees or contractors in Nunavut when it was part of the Northwest Territories have been filed, or are pending. The Nunavut and Northwest Territories governments will jointly defend any such proceedings and the cost of defending the actions and any damages that may eventually be awarded will be shared by the two governments 44.34% and 55.66%, respectively. An estimate of any liability that may result from these actions is not determinable at this time; consequently no liability has been accrued.

There are a number of claims and threatened litigation cases outstanding against the Government for which the outcomes are not determinable, including a number of cases where an amount is not specified. The nature of these claims include wrongful dismissal, breach of policy or contract, personal injury, sexual abuse, negligence, wrongful arrest and assault. As of March 31, 2011, all of these claims have been assessed as being either without merit or not determinable at this time.

(d) Pay Equity

There are a number of pay equity claims outstanding against the Government of Nunavut primarily for job rating evaluations of specific trades. The Government is working with Nunavut Employees Union in order to resolve the claims. However, the outcome of these claims is not currently known. As of March 31, 2011, no provision has been made in these financial statements.

(e) Other

Under the terms of the Social Housing Agreement with Canadian Mortgage and Housing Corporation (CMHC), Nunavut Housing Corporation (NHC) is responsible for the administration of a number of loans to third parties, where CMHC is the lender or insurer of these loans. The agreement provides that NHC shall indemnify and reimburse CMHC for, and save it harmless from, all losses, costs and expenses related to these loans. The value of these third party loans is approximately $2,851 as at March 31, 2011 (2010 - $3,062).

16 PROJECTS FUNDED UNDER THIRD-PARTY AGREEMENTS

Under agreements with the Government of Canada and others, the government receives full or partial funding for eligible expenses incurred on various specific projects. The following is a summary of the various project-related revenues and expenses funded during the year.

		2011	2010
Revenues			
	From the Government of Canada	113,502	99,565
	From others	3,712	3,862
	Total revenues	117,214	103,427
Expenses			
	Compensation and benefits	15,704	14,783
	Grants and contributions	47,224	30,391
	Other expenses	52,373	57,006
	Amortization of tangible capital assets	1,913	1,247
	Total expenses	117,214	103,427

17 RELATED PARTY TRANSACTIONS

Significant related party transactions and balances are disclosed separately in these consolidated financial statements.

18 TRUSTS UNDER ADMINISTRATION

The Government administers trust accounts on behalf of third parties, which are not included in the reported Government assets and liabilities.

	2011	2010
Public Trustee	4,340	4,096
Victims' Assistance Trust	536	289
Natural Resources Conservation Trust	280	277
Millennium Scholarship Fund	8	8
Scholarship Fund	42	41
Territorial Court Trust	807	129
Maintenance Enforcement Trust	107	50
Young Offenders Welfare Trust	3	18
Baffin Correctional Centre Welfare Trust	-	8
Baffin Correctional Centre Inmate Trust	12	25
Young Offenders Trust	15	6
Sheriff's Imprest Account	10	10
Nunavut Labour Standards Board Trust	3	3
HSS - Akausisarvik	9	11
HSS - Ikpigusukniqmut Foundation	-	95
	6,172	5,066

19 PREPAID EXPENSES

The balance includes $9,629 of 2011-12 funding for municipalities that was advanced on March 31, 2011. This was one day prior to the effective date (i.e., April 1, 2011) of the statutory spending authority for the 2011-12 expenditure appropriations. These prepaid expenses will be charged as grants and contributions during the 2011-12 year.

20 OVER-EXPENDITURES

Section 32 of the *Financial Administration Act* states "....No person shall incur an expenditure that causes the amount of the item set out in the Estimates on which the appropriation is based to be exceeded."

Based on the balances reported in Schedule B.1 of the non-consolidated financial statements, the Department of Justice exceeded its appropriation limit by $77 for 2010-11. Under Section 36(2) the excess spending is covered by an interim appropriation, which under Section 36(4) is to be "...submitted in the form of a supplementary appropriation bill to the Legislative Assembly not later than 15 days after the tabling of the Public Accounts for the fiscal year in which the expenditure was charged."

21 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the current year's presentation.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Schedule of Revenues by Source
for the year ended March 31, 2011
(in thousands of dollars)

SCHEDULE A

	2011 Actual	2010 Actual
From the Government of Canada		
Territorial Formula Financing Agreement	1,090,553	1,022,060
Transfers under third-party funding agreements	113,502	99,565
Other transfer payments	106,497	110,239
	1,310,552	1,231,864
Revenues generated by the Government of Nunavut		
Personal income tax	19,816	18,150
Corporate income tax	9,034	7,451
Payroll tax	19,803	17,616
Tobacco tax	13,058	12,305
Fuel tax	5,924	3,408
Property tax	2,019	1,534
Insurance tax	1,018	852
Sales		
Petroleum Products Revolving Fund - before cost of goods sold of $86,287 (2010 - $80,108)	131,914	115,627
Liquor Revolving Fund - before cost of goods sold of $2,670 (2010 - $2,582)	6,338	5,421
Nunavut Development Corporation - before cost of goods sold of $5,679 (2010 - $6,158)	6,187	6,750
Qulliq Energy Corporation - power sales	42,041	49,030
Staff housing recoveries	16,224	15,544
Transfers under third-party funding agreements	3,712	3,862
Recoveries of prior years expenditures	10,818	11,968
Other revenues	39,618	38,683
	327,524	308,201
Total revenues	1,638,076	1,540,065

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS

SCHEDULE B

Consolidated Schedule of Tangible Capital Assets
for the year ended March 31, 2011
(in thousands of dollars)

	Buildings	Leased Buildings	Storage	Tank Farms	Equip-ment	Heavy Equip-ment	Electric Power Plants	Transmission Distribution Systems	Infra-structure	Land	2011	2010
Cost of tangible capital assets												
Opening balance	1,325,130	155,528	49,151	117,011	68,099	1,359	153,343	27,298	115,715	428	2,013,062	1,821,081
Additions	2,994	-	1,372	-	8,987	-	825	3,693	262	-	18,133	24,442
Transferred from work in progress	209,781	-	-	34,063	6,398	-	3,163	-	34,623	-	288,028	180,489
Disposals	(3,236)	(327)	-	-	-	(159)	(855)	-	-	-	(4,577)	(12,950)
Closing balance	1,534,669	155,201	50,523	151,074	83,484	1,200	156,476	30,991	150,600	428	2,314,646	2,013,062
Accumulated amortization												
Opening balance	(462,394)	(49,977)	(18,737)	(40,052)	(52,548)	(793)	(57,730)	(13,178)	(38,321)	-	(733,730)	(662,813)
Amortization	(56,194)	(5,173)	(1,602)	(5,036)	(9,229)	(63)	(4,942)	(501)	(4,948)	-	(87,688)	(77,000)
Disposals	1,844	-	-	-	-	-	1,031	-	-	-	2,875	6,083
Closing balance	(516,744)	(55,150)	(20,339)	(45,088)	(61,777)	(856)	(61,641)	(13,679)	(43,269)	-	(818,543)	(733,730)
Work in progress												
Opening balance	230,186	-	4	25,319	13,486	-	19,430	-	30,078	-	318,503	279,699
Additions	171,358	-	-	8,744	12,386	-	13,263	-	9,671	-	215,422	219,293
Transferred to cost of tangible capital assets	(209,781)	-	-	(34,063)	(6,398)	-	(3,163)	-	(34,623)	-	(288,028)	(180,489)
Closing balance	191,763	-	4	-	19,474	-	29,530	-	5,126	-	245,897	318,503
Net book value	1,209,688	100,051	30,188	105,986	41,181	344	124,365	17,312	112,457	428	1,742,000	1,597,835
Estimated useful life	**30 years**	**30 years**	**30 years**	**30 years**	**5-30 years**	**5-40 years**	**20-40 years**	**20-40 years**	**30 years**			

GOVERNMENT OF NUNAVUT **SCHEDULE C**

PUBLIC ACCOUNTS

Consolidated Schedule of Segmented Information

for the year ended March 31, 2011

(in thousands of dollars)

	Consolidated Revenue Fund	Revolving Funds	Territorial Corporations	Total for All Segments	Consolidation Adjustments (1)	2011	2010
Revenues							
From the Government of Canada							
Territorial formula financing agreement	1,090,553	-	-	1,090,553	-	1,090,553	1,022,060
Transfers under third-party funding agreements	112,439	-	1,063	113,502	-	113,502	99,565
Other transfer payments	74,608	-	31,889	106,497	-	106,497	110,239
	1,277,600	-	32,952	1,310,552	-	1,310,552	1,231,864
Generated by the Government of Nunavut							
Corporate and personal income taxes	28,850	-	-	28,850	-	28,850	25,601
Other taxes	41,822	-	-	41,822	-	41,822	35,715
Sales	-	197,072	145,636	342,708	(156,228)	186,480	176,828
Transfers under third-party funding agreements	3,712	-	-	3,712	-	3,712	3,862
General	31,920	-	217,252	249,172	(193,330)	55,842	54,227
	106,304	197,072	362,888	666,264	(349,558)	316,706	296,233
Recoveries of prior years expenditures	10,818	-	-	10,818	-	10,818	11,968
Total revenues	1,394,722	197,072	395,840	1,987,634	(349,558)	1,638,076	1,540,065
Expenses							
Compensation and employee benefits	411,820	4,715	73,150	489,685	1,220	490,905	439,796
Grants and contributions	383,087	-	-	383,087	(207,278)	175,809	175,570
Goods and services	559,514	162,994	272,848	995,356	(207,567)	787,789	799,961
Amortization of tangible capital assets	44,708	-	34,935	79,643	8,045	87,688	77,000
Interest expense	5,486	-	6,498	11,984	(244)	11,740	12,919
Increase (decrease) in valuation allowances	(1,282)	703	360	(219)	2,524	2,305	496
Total expenses	1,403,333	168,412	387,791	1,959,536	(403,300)	1,556,236	1,505,742
Surplus (deficit) for the year	(8,611)	28,660	8,049	28,098	53,742	81,840	34,323

(1) - Includes adjustments to eliminate inter-entity balances to comply with generally accepted accounting principles. For example, contributions by departments to revolving funds, territorial corporations and other agencies (i.e., consolidated entities) are shown in grants and contributions expense under the "Consolidated Revenue Fund" column, while the amounts received by the applicable consolidated entity group are shown as revenues in their respective columns. These amounts are eliminated upon consolidation to avoid double-counting and results in significant amounts shown in the 'Consolidation Adjustments' column.

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SECTION II

NON-CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Non-Consolidated Statement of Financial Position (unaudited)
as at March 31, 2011
(in thousands of dollars)

	2011	2010
Financial assets		
Cash and cash equivalents (Note 3)	188,928	202,683
Due from the Government of Canada (Note 4)	74,803	80,942
Revenues receivable (Note 5)	92,146	66,318
Inventories for resale (Note 6(a))	107,105	90,776
Loans receivable (Note 7)	16,306	16,936
Designated investments (Note 8)	6,678	6,147
Total financial assets	485,966	463,802
Liabilities		
Accounts payable and accrued liabilities (Note 9)	270,183	232,741
Other employee future benefits (Note 10)	21,208	17,149
Capital lease obligations (Note 11)	72,075	77,485
Mortgage payable (Note 12)	3,894	4,172
Pension liabilities (Note 13)	6,158	5,454
Deferred revenue and capital contributions (Note 14)	151,430	124,972
Total liabilities	524,948	461,973
Net financial assets (debt)	(38,982)	1,829
Non-financial assets		
Tangible capital assets (Schedule C)	992,100	941,430
Inventories for use (Note 6(b))	2,263	2,251
Prepaid expenses (Note 22)	12,996	2,818
Total non-financial assets	1,007,359	946,499
Accumulated surplus	968,377	948,328

Contractual obligations (Note 16)
Contingencies (Note 17)

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Non-Consolidated Statement of Operations and Accumulated Surplus (unaudited)
for the year ended March 31, 2011
(in thousands of dollars)

	2011 Budget	2011 Actual	2010 Actual
Revenues (Schedule A)			
From the Government of Canada	1,249,980	1,277,600	1,200,591
Tax revenues generated by the Government of Nunavut	54,800	70,672	61,316
Other revenues generated by the Government of Nunavut	62,069	84,927	70,800
Recoveries of prior years expenditures	-	10,818	13,668
Total revenues	1,366,849	1,444,017	1,346,375
Expenses (Schedule B)			
Operations and maintenance expenses before amortization	1,230,422	1,264,287	1,202,623
Amortization expenses on tangible capital assets	38,032	44,708	37,656
Total operations and maintenance expenses	1,268,454	1,308,995	1,240,279
Capital expenditures	191,945	210,351	160,453
Transfers to tangible capital assets	(82,162)	(95,378)	(117,425)
Total capital expenses	109,783	114,973	43,028
Total expenses	1,378,237	1,423,968	1,283,307
Surplus (deficit) for the year (Note 21)	(11,388)	20,049	63,068
Accumulated surplus, beginning of the year		948,328	885,260
Accumulated surplus, end of the year		968,377	948,328

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Non-Consolidated Statement of Change in Net Financial Assets (Debt) (unaudited)
for the year ended March 31, 2011
(in thousands of dollars)

	2011 Budget	2011 Actual	2010 Actual
Surplus (deficit) for the year	(11,388)	20,049	63,068
Tangible capital assets (Schedule C)			
Additions	(82,162)	(95,378)	(118,266)
Disposals	-	-	3,611
Amortization	38,032	44,708	37,656
	(44,130)	(50,670)	(76,999)
Net use (additions) of inventories for use	-	(12)	(284)
Net use (additions) of prepaid expenses	-	(10,178)	(656)
	-	(10,190)	(940)
Change in net financial assets (debt) for the year	(55,518)	(40,811)	(14,871)
Net financial assets (debt), beginning of the year		1,829	16,700
Net financial assets (debt), end of the year		(38,982)	1,829

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Non-Consolidated Statement of Cash Flow (unaudited)
for the year ended March 31, 2011
(in thousands of dollars)

	2011	2010
Cash provided by (used for) government operations:		
Transfers from the Government of Canada	1,307,510	1,246,472
Taxes	72,772	59,066
Other government revenues	198,773	203,699
Interest on capital leases and mortgage	(5,456)	(5,691)
Compensation and employee benefits	(404,197)	(371,148)
Grants and contributions	(445,041)	(429,901)
Goods and services	(637,133)	(625,932)
Cash provided by (used for) government operations	87,228	76,565
Cash provided by (used for) capital activities:		
Tangible capital asset acquisitions	(95,378)	(118,266)
Tangible capital asset disposals	-	3,611
Cash provided by (used for) capital activities	(95,378)	(114,655)
Cash provided by (used for) investing activities:		
Loans to municipalities, businesses and individuals	(549)	(118)
Loan repayments received	1,163	4,131
Designated investments	(531)	(240)
Cash provided by (used for) investing activities	83	3,773
Cash provided by (used for) financing activities:		
Principal payments on capital leases	(5,410)	(8,795)
Principal payments on mortgage payable	(278)	(261)
Cash provided by (used for) financing activities	(5,688)	(9,056)
Increase (decrease) in cash and cash equivalents	(13,755)	(43,373)
Cash and cash equivalents, beginning of the year	202,683	246,056
Cash and cash equivalents, end of the year (Note 3)	188,928	202,683

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

1 AUTHORITY AND OPERATIONS

(a) Government of Nunavut

The Government of Nunavut (the Government) operates under the authority of the *Nunavut Act*. The Government has an elected Legislative Assembly which authorizes all disbursements, advances, loans and investments, except those specifically authorized by statute.

(b) Main Estimates

The 2010-2011 Main Estimates were tabled in the Legislative Assembly during the March 2010 session and represent the Government's fiscal plan for the year (i.e., original budget). Summary information and totals for government's original budget for the year are provided on pages x through xiii of the 2010-2011 Main Estimates. Planned Vote 5 revenues and Vote 4 expenses represent the share of eligible costs to be funded under agreement with the Government of Canada or others, and while not part of the annual Appropriations Act approved by the Legislative Assembly, they are along with those of revolving funds included in the original budget totals disclosed in these financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Financial statements

These non-consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP) for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants with the exception that they are not consolidated and certain revenues are reported net of expenses.

Pursuant to Section 74 of the *Financial Administration Act*, the Government also prepares consolidated financial statements, which provide an accounting of the full nature and extent of the financial affairs and resources for which the Government is responsible. The consolidated reporting entity is defined in those statements.

(b) Reporting entity

These financial statements include the assets, liabilities and operating results of the Government's Consolidated Revenue Fund, including departments included in the Main Estimates, as well as the following revolving funds:

Liquor Revolving Fund
Nunavut Outfitters Liability Protection Revolving Fund *(wound up effective February 25, 2011)*
Petroleum Products Revolving Fund
Public Stores Revolving Fund
Student Loan Fund

Revolving funds are established by the Government to provide the required working capital to deliver goods and services to the general public and to Government departments.

The following public agencies are included in these non-consolidated financial statements only to the extent of the Government's contributions to and services received from or provided to them during the year:

Territorial corporations
- Nunavut Arctic College
- Nunavut Business Credit Corporation
- Nunavut Development Corporation
- Nunavut Housing Corporation
- Qulliq Energy Corporation

Other public agencies
- District Education Authorities
- Human Rights Tribunal
- Labour Standards Board
- Legal Services Board
- Nunavut Liquor Licensing Board
- Qulliit Nunavut Status of Women Council

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Use of estimates and measurement uncertainty

The preparation of financial statements in accordance with GAAP requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates and assumptions are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these financial statements, the Government believes the estimates and assumptions to be reasonable. The more significant areas where estimates and assumptions have been used to prepare these financial statements include:

(i) Income tax revenue (collected by the Government of Canada on the Government's behalf) and grant revenues from the Government of Canada in areas such as the Canada Health Transfer and Canada Social Transfer. These revenues and grants are subject to revision by the Government of Canada in future years; and

(ii) Allowance for doubtful accounts, loan valuation allowances, provision for losses on loan guarantees, amortization of tangible capital assets and employee future benefits.

(d) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances net of outstanding cheques and short term highly liquid investments that are readily convertible to cash. Short term investments are recorded at the lower of cost or market value.

(e) Inventories

Inventories for resale include bulk fuel and liquor products. Bulk fuel inventory is valued at the lower of weighted average cost or net realizable value. Liquor products inventory is valued at the lower of cost or net realizable value on a first-in, first-out basis. Inventory for use includes health and medical supplies valued at the lower of cost or replacement cost, with the cost being determined on a first-in, first-out basis.

(f) Loans receivable

Loans receivable are valued at the lower of cost or net recoverable value. Based on the circumstances known at the date the financial statements are prepared, including past events and current conditions, valuation allowances are recorded when collection is considered doubtful or when the value of a loan receivable is impaired. Interest revenue is recorded on an accrual basis when the collectability of both principal and interest are reasonably assured. An uncollectible or impaired loan receivable balance can be written off only upon receipt of required statutory approvals.

(g) Non-financial assets

Non-financial assets, including tangible capital assets, inventories for use and prepaid expenses, are accounted for by the Government only if they are expected to be used to provide government services in future years. These assets would not normally be used to provide financial resources to discharge liabilities of the Government unless they were sold. Non-financial assets are amortized or charged to expenses in future periods as they are used to provide or support the provision of government services.

(h) Tangible capital and leased assets

Tangible capital assets are non-financial assets whose useful life exceeds one fiscal year and are intended to be used on an ongoing basis for delivering government services. They may include such diverse items as buildings, vehicles, equipment, aircraft and computer hardware and software systems. Tangible capital assets with a cost of less than fifty thousand dollars are fully expensed in the year of acquisition.

Tangible capital assets are recorded at cost, or where actual cost is not available, estimated current replacement cost converted back to the date of purchase by discounting current year dollars for inflation. Gifted and cost-shared tangible capital assets are recorded at fair market value upon receipt or cost, respectively, with the gifted or cost-shared portion recorded as a deferred capital contribution. This deferred capital contribution is amortized as revenue on the same basis as the related asset is amortized.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Leased assets that meet the definition of a tangible capital asset, except that they are held under lease by the Government, are capitalized and reported as such if, in substance, their terms and conditions transfer substantially all of the benefits and risks of ownership to the Government. Legal ownership may not necessarily have been transferred. The lease liability and corresponding asset are recorded based on the present value of payments due over the course of the lease. The present value is based on the lower of the rate implicit in the lease or the Government's incremental borrowing rate at the time the obligation is incurred.

Tangible capital assets, when placed into service, are amortized on a straight-line basis over their estimated useful life based on the following guidelines:

Asset Category	Amortization Period
Land	Not amortized
Buildings	30 years
Leased Buildings	30 years
Infrastructure	30 years
Tank Farms	30 years
Storage Facilities	30 years
Equipment	5-30 years

In the year a tangible capital asset is acquired or put into service, amortization is taken for the full year. Tangible capital assets under construction or development are recorded as work in progress with no amortization taken until the year the asset is placed into service.

Tangible capital assets acquired by right, such as Crown lands, water and mineral resources, are not recorded in the financial statements. The cost of works of art and museum collections consisting mainly of paintings, sculptures, drawings, prints and photographs are charged to expense in the year they are acquired.

(i) Pension and other employee future benefits

Pension benefits

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Government contributes at a rate of 1.98 times (2010 - 2.14 times) the employee's contribution. The Government's contributions are charged as an expense on a current year basis and represent the total pension obligations. The Government is not required under present legislation to make contributions with respect to actuarial deficiencies of the Plan.

The costs and obligations for the Government's pension benefits to Members of the Legislative Assembly are determined on an actuarial basis. This is done to determine the current value of future entitlements and uses various estimates. When actual experience varies from estimates, the adjustments needed are amortized over the estimated average remaining service lives of the contributors.

Non-pension employee future benefits

Under the terms and conditions of employment, Government employees may earn severance and removal benefits based on years of service. These benefits are paid upon resignation, retirement or death of the employee. The estimated liability and related expenses for these benefits are recorded as employees earn them. An actuarial valuation of the cost of these benefits has been prepared using data provided by management and assumptions based on management's best estimates. Termination benefits are recorded when employees are identified for lay-off.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Revenues

Unless otherwise stated, all revenues are reported on an accrual basis in the period in which transactions or events give rise to the revenues. Specific revenue accounting policies are as follows:

Transfers from the Government of Canada

Grants from the Government of Canada are recognized as revenue when entitlement for the transfer occurs. The formula for the principle-based Territorial Formula Financing grant is legislated by the Federal-Provincial Fiscal Arrangements Act (Canada). Health and social transfers are recorded in accordance with this Act. Adjustments for health and social transfer revenues are made in the year they are known.

Other transfers from the Government of Canada are recognized as revenue in the period that the events giving rise to the transfer occur as long as: (i) the transfer is authorized; (ii) the Government has met eligibility criteria, if any; and (iii) a reasonable estimate of the amount of the transfer can be made. Transfers received before these are fully met are recorded as deferred revenue until the criteria are met.

Taxes and general revenues

Income tax revenue is recognized on an accrual basis. Taxes, under the *Income Tax Act*, are collected by the Government of Canada on behalf of the Government under a tax collection agreement and are remitted to the Government monthly. The remittances are based on the Government of Canada's Department of Finance estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are finalized.

Fuel, tobacco, and payroll taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act* and the *Payroll Tax Act*, respectively. Revenues are recognized on an accrual basis based on the statements received from collectors or employers. Adjustments from reassessments are recorded in revenue in the year they are identified.

Property taxes are assessed on a calendar year basis and are recorded on an accrual basis in the fiscal year.

Other taxes are accrued based on information provided by those parties which collect tax on the Government's behalf.

Recoveries of prior years expenditures

Recoveries of prior years expenditures, including reversals of prior years expenditure over-accruals, are reported separately from other revenues on the statement of operations. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenditures.

(k) Expenses

Expenses are recorded on an accrual basis.

Grants and contributions are recorded as expenses when the following criteria are all met: (i) the grant or contribution has the necessary authorization; (ii) the recipient has met eligibility criteria, if any; and (iii) a reasonable estimate of the transfer can be made. Grants or contributions paid prior to all three conditions being met are accounted for as prepaid expenses until all conditions are met by the recipient.

(l) Contractual obligations and contingencies

The nature of the Government's activities requires negotiation of contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual obligations pertain to block funding agreements with municipalities, operating commercial leases, capital projects, and operational funding commitments. Contractual obligations are not accrued until the terms of those contracts or agreements are met.

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur and is quantifiable, an estimated liability is accrued. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements and no liability is accrued. Contingent liabilities result from potential environmental contingencies or pending litigation and like items.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Environmental liabilities

Environmental liabilities consist of the estimated costs related to the remediation of environmentally contaminated sites. An environmental liability is accrued and an expense recorded based on management's best estimates at the time the contamination occurs or when the Government becomes aware of the contamination and is obligated or is likely obligated to incur such costs. If the likelihood of the Government's obligation to incur these costs is not determinable or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements and no liability is accrued. Accrued environmental liabilities are reported as part of accounts payable and accrued liabilities. The Environmental liabilities are reassessed on an annual basis.

(n) Financial instruments

The fair market values of the Government's short term financial instruments, including accounts payable and accrued liabilities, cash and cash equivalents, portfolio and other investments, due from the Government of Canada and other revenues receivable, approximate their carrying amounts because of their short term to maturity.

The fair value of the Government's long term financial instruments, including debt, capital lease obligations, pension liabilities and other employee future benefits, portfolio and other investments, investments and loans receivable are detailed in the related notes. Where fair value amounts are not detailed, the carrying amounts approximate their fair value.

3 CASH AND CASH EQUIVALENTS

	2011	2010
Royal Bank of Canada	123,606	74,109
Canadian Imperial Bank of Commerce	3,965	990
Guaranteed investment certificates	15,772	18,684
Treasury investments	45,585	108,900
	188,928	202,683

Treasury investments are in the short term money market. The market yield of this portfolio ranged from 1.23% to 1.59% in 2011 (2010 - 0.55% to 0.94%). All instruments held are in high quality debt obligations, rated R-1 Low or better by DBRS (i.e., formerlly known as the Dominion Bond Rating Service), with an average term to maturity of 173 days (2010 - 112 days).

4 DUE FROM THE GOVERNMENT OF CANADA

	2011	2010
Grant receivable:		
From the Government of Canada (Schedule A)	1,090,553	1,022,060
Less: Payments received	(1,090,553)	(1,022,060)
	-	-
Balance of grant receivable, beginning of the year	-	-
Balance of grant receivable, end of the year	-	-
Other receivables:		
Other receivables from the Government of Canada	74,803	80,942
	74,803	80,942

The amounts due from the Government of Canada are non-interest bearing. The carrying amounts approximate fair market value because of the short term to maturity.

5 REVENUES RECEIVABLE

	2011	2010
Receivable by funds		
Consolidated Revenue Fund	43,514	39,255
Petroleum Products Revolving Fund	61,616	40,449
Public Stores Revolving Fund	45	18
Liquor Revolving Fund	2	56
	105,177	79,778
Less: Allowance for doubtful accounts	(13,031)	(13,460)
	92,146	66,318
Receivable by relation with the creditors		
Nunavut Arctic College	11,474	6,184
District Education Authorities	463	323
Nunavut Business Credit Corporation	148	191
Nunavut Development Corporation	49	38
Nunavut Housing Corporation	10,472	6,102
Qulliq Energy Corporation	23,824	14,960
Receivable from related parties	46,430	27,798
Other accounts receivable	58,747	51,980
	105,177	79,778
Less: Allowance for doubtful accounts	(13,031)	(13,460)
	92,146	66,318

6 INVENTORIES

	2011	2010
(a) For resale		
Bulk fuels	105,533	88,954
Liquor products	1,572	1,822
	107,105	90,776

The write-down for bulk fuels inventory for 2011 was $703 (2010 - $849).

(b) For use		
Health and medical supplies	2,263	2,251

7 LOANS RECEIVABLE

	2011	2010
Working Capital advances to the Nunavut Business Credit Corporation. The term is indeterminate with the option to repay any portion of the principal on any interest payment date. Interest is calculated at selected Government of Canada three year benchmark bond yields ranging between 1.49% and 2.42% (2010 - 1.4% and 2.03%) at the end of the month, compounded annually.	15,003	15,318
Student Loan Fund loans due in instalments to 2017, bearing interest between 2.75% and 12.5%, net of the doubtful accounts and valuation allowances of $3,862 (2010 - $3,672).	1,297	1,233
Loans to municipalities due in instalments to 2017, bearing interest between 0% and 8%, net of valuation allowance of $nil (2010 - $100).	6	347
Other, including Qikiqtaq Co-op Mall Mortgage, net of valuation allowance of $64 (2010 - $304).	-	38
	16,306	16,936

8 DESIGNATED INVESTMENTS

	2011	2010
SRAF designated investments	6,678	6,147

The Supplementary Retiring Allowances Fund (SRAF) of the Legislative Assembly investments cannot be used to discharge other obligations incurred by the Government. The investments are managed by a third party. The Statement of Investment Policy establishes the eligible classes of securities, categories of issuers, limits and terms. The market value of SRAF investments at March 31, 2011 was $7,360 (2010 - $6,374) with a positive return of 10.69% (2010 - 23.16%).

9 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2011	2010
Accounts payable to related parties		
Nunavut Arctic College	2,864	3,589
District Education Authorities	2,064	1,473
Nunavut Business Credit Corporation	57	496
Nunavut Development Corporation	149	363
Nunavut Housing Corporation	8,214	688
Qulliq Energy Corporation	19,646	4,970
	32,994	11,579
Other		
Accounts payable	84,479	80,391
Accrued liabilities, payroll deductions, and contractor holdbacks	96,345	84,772
Accrued environmental liabilities	10,631	10,638
Vacation pay and lieu time	25,163	17,588
Due to the Government of Canada	19,001	21,688
Due to the Government of the Northwest Territories	1,570	6,085
	237,189	221,162
	270,183	232,741

10 OTHER EMPLOYEE FUTURE BENEFITS

	2011	2010
Severance	11,580	7,169
Removal	9,628	9,980
	21,208	17,149

11 CAPITAL LEASE OBLIGATIONS

Capital lease obligations are based upon contractual minimum lease payments for the leases in effect as of March 31, 2011.

	2011	2010
Total minimum lease payments	98,938	109,529
Imputed interest	(26,863)	(32,044)
Present value of minimum lease payments	72,075	77,485

Future minimum lease payments consist of:	
2012	10,591
2013	10,591
2014	10,591
2015	10,591
2016	10,591
2017 and beyond	45,983
	98,938

Lease payments are allocated between repayment of the liability and interest expense. The total minimum lease payments less the present value of the minimum lease payments represents the interest costs over the remaining term of the leases. The interest expense is calculated using the same discount rate used in computing the present value of the minimum lease payments applied to the outstanding lease liability at the beginning of the lease payment period.

Interest expense related to capital lease obligations for the year was $5,181 (2010 - $5,682) at an implied average interest rate of 7.0% (2010 - 7.0%). The capital lease obligations expire between 2020 and 2027.

12 MORTGAGE PAYABLE

	2011	2010
Mortgage payable in annual instalments to the year 2020, bearing interest at a rate of 6.9% compounded semi-annually.	3,894	4,172

Future mortgage payments consist of:	Principal	Interest	Total
2012	298	256	554
2013	319	235	554
2014	342	212	554
2015	366	188	554
2016	391	163	554
2017 and beyond	2,178	358	2,536
	3,894	1,412	5,306

Interest expense on mortgage payable was $275 for the year (2010 - $294). The interest paid on the mortgage payable during the year was $275 (2010 - $294).

13 PENSION LIABILITIES

(a) Public Service Pension Plan

Both the Government and its employees make contributions to the Public Service Pension Plan administered by the Government of Canada. In 2011, the Government's contributions were $30,220 (2010 - $26,829).

The amount of the Government's contributions is set by the Government of Canada and represents the Government's sole obligation under this Plan. The Government is not required under present legislation to make contributions with respect to actuarial deficiencies of the Plan.

(b) Legislative Assembly Retiring Allowances Plans

The Government of Nunavut sponsors two defined benefit pension plans for Members of the Legislative Assembly (MLAs). Both plans are administered by the Management and Services Board of the Legislative Assembly. The plans provide pensions based on length of service and final average earnings. They provide inflation protection based on increases in the Consumer Price Index.

The first plan is the Legislative Assembly Retiring Allowances Fund (LARAF), a registered and contributory defined benefit pension plan established under the *Legislative Assembly Retiring Allowances Act*. The Office of the Legislative Assembly operates a separate pension fund in trust to administer LARAF contributions and allowances. The fund came into effect on April 1, 1999.

The second plan is the Supplementary Retiring Allowances Fund (SRAF), a voluntary non-registered, non-contributory defined benefit pension plan established under the *Supplementary Retiring Allowances Act* for MLAs who elect to participate. Payments and expenses related to the SRAF are paid from the Government's consolidated revenue fund. This plan came into effect during the 2001-02 fiscal year, and provides for benefits retroactive to April 1, 1999.

There have been no plan amendments, plan settlements and curtailments or temporary deviations from these plans in 2011 (no changes in 2010).

Actuarial valuations were completed for these plans as of April 1, 2009. The valuations were based on a number of assumptions about future events including inflation rates (3.0%), interest rates (inflation, plus 3.5%), return on assets (inflation, plus 3.5%), increases in remuneration (inflation, plus 1%), and mortality. The assumptions used reflect the best estimates as approved by the Management and Services Board of the Legislative Assembly. The valuations were performed using the projected unit credit actuarial cost method. The asset valuation method, market-related value, for the LARAF plan is equal to a smoothed market value which spreads the difference between the actual and expected investment income over a four year period. The effective date of the next actuarial valuations for these plans is April 1, 2012.

Retirement benefits are payable to a MLA based on a percentage of the average best earnings over four consecutive years as a MLA and as a Minister, Speaker or Chairperson (if applicable) multiplied by credited service as a MLA and for each of the three positions (if applicable). A position must be held for at least one year, and the pension for each position is calculated separately. The percentages used to calculate retirement benefits are 2% for the LARAF and 3% for the SRAF.

The normal retirement age under both of these plans is the earliest of: (a) age 60; (b) 30 years of service; or (c) age plus service equals 80. A MLA may retire at any time upon ceasing to be a MLA. Early retirement results in a pension reduction of 0.25% for each month a MLA retires before the normal retirement age. The late retirement age for MLAs is up to age 69.

13 PENSION LIABILITIES (continued)

The pension liabilities represent the excess of the actuarial present value of accrued pension benefits over the actuarial value of net assets available for benefits.

Based on information provided for the year by the plans' actuary, the MLA pension liabilities as of March 31 are as follows:

	LARAF	SRAF	2011	2010
Accrued benefit obligation	4,650	6,301	10,951	8,744
Deduct:				
Pension fund assets	4,795	-	4,795	3,493
Unamortized actuarial (gains) losses	17	(19)	(2)	(203)
	4,812	(19)	4,793	3,290
Pension (asset) liability	(162)	6,320	6,158	5,454

As at March 31, 2011, the LARAF pension fund assets had a market value of $4,923 (2010 - $3,251). The actual rate of return was positive 10.54% (2010 - 23.86%). The SRAF has no pension fund assets; however, the pension liability is funded all or in part by designated investments (Note 8).

LARAF and SRAF actuarial gains/losses are amortized over 2.8 years (2010 - 3.8 years) which is the estimated average remaining service lives for contributors to these plans.

The total expenses related to MLA pensions include the following components:

	LARAF	SRAF	2011	2010
Current period benefit cost	623	906	1,529	1,365
Amortization of actuarial (gains) losses	212	(205)	7	97
	835	701	1,536	1,462
MLAs contributions	(188)	-	(188)	(175)
Pension expense	647	701	1,348	1,287
Interest cost on the average accrued benefit obligation	287	403	690	617
Expected return on average pension plan assets	(299)	-	(299)	(198)
Pension interest expense	(12)	403	391	419
Total pension expenses	635	1,104	1,739	1,706

Pension benefits paid for the LARAF and SRAF were $114 and $617, respectively (2010 - $1,181 and $754, respectively).

The Government's contributions related to the LARAF and SRAF during the year were $441 and $906, respectively (2010 - $1,840 and $821, respectively).

14 DEFERRED REVENUE AND CAPITAL CONTRIBUTIONS

As at March 31, the Government had the following deferred revenue and capital contribution balances which are to be recognized as revenue in the year when eligible expenses are incurred:

	2011	2010
Provincial-Territorial Base Funding (Building Canada Fund)	57,184	56,642
Gas Tax Agreement	17,713	17,806
Deferred capital contributions	72,798	46,037
Other deferred revenue	3,735	4,487
	151,430	124,972

15 PETROLEUM PRODUCTS STABILIZATION FUND

The Petroleum Products Stabilization Fund was created under the authority of the *Revolving Funds Act*. The purpose of the Fund is to stabilize the prices of petroleum products purchased, sold, and distributed by the Government. The net profit (loss) of the Petroleum Products Revolving Fund is charged to the Petroleum Products Stabilization Fund. The accumulated surplus or deficit balance in the fund cannot exceed $10,000.

	2011	2010
Surplus (deficit), beginning of the year	9,246	(148)
Petroleum Products Revolving Fund net profit for the year	26,387	15,394
Minimum transfer required to Consolidated Revenue Fund	(25,633)	(6,000)
Surplus (deficit), end of the year	10,000	9,246

16 CONTRACTUAL OBLIGATIONS

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2011:

	Year of Expiration	Total
Capital commitments	2014	54,180
Operational commitments	2016	43,718
Policing agreement	2012	27,984
Operating leases (Schedule 6)	2027	51,156
		177,038

Contractual obligations by fiscal year are as follows:

2012	125,438
2013	18,085
2014	10,526
2015	5,772
2016	4,867
2017 and beyond	12,350
	177,038

17 CONTINGENCIES

(a) Contingent liabilities	2011	2010
Uninsured losses	-	5

(b) Post-division adjustments

The agreement governing the division of assets and liabilities between the Government of Nunavut and the Government of the Northwest Territories as at April 1, 1999 sets out a mechanism which provides for post-division adjustments.

The period for such adjustments is unlimited; and such adjustments could be made in a variety of specified circumstances such as the settlement of litigation related to events prior to the date of division. In such an event, there is an opportunity for one of the governments to file a claim against the other government to share in costs. Post-division adjustments will be recognized in the year the liability can reasonably be estimated.

(c) Environmental restoration costs

The Government recognizes that there are costs related to the restoration of any contaminated sites situated on lands within the Territory. Liabilities have been accrued in the non-consolidated financial statements when it has been determined that the Government is liable for a contaminated site and where a reasonable estimate of the remediation costs can be made. The Government's ongoing efforts to assess contaminated sites may result in additional environmental liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. Any additional liabilities will be accrued in the year in which they become known.

The Government will continue to implement a program of site inspection, assessment and remediation on an ongoing basis. To facilitate this, the Government has established a committee to ensure all existing and potential liabilities are identified and appropriate actions initiated. This is an ongoing process which should show continuous improvement each year as the Government continues to work in a practical manner towards the determination and appropriate recognition of its environmental liabilities within the Territory.

(d) Litigation

More individuals have come forward alleging abuse by a former school teacher in the Territory when it was part of the Northwest Territories. Pursuant to agreements negotiated prior to the division of the territories, the Nunavut and Northwest Territories governments will jointly defend the action. The costs of defending the action and any damages that may eventually be awarded will be shared by the two governments 44.34% and 55.66%, respectively. An estimate of the Government's share of the loss that may result from these suits has been accrued; however, the final outcome may vary significantly from this estimate.

In addition to the matter disclosed above, a number of cases of alleged sexual abuse by former employees or contractors in Nunavut when it was part of the Northwest Territories have been filed or are pending. The Nunavut and the Northwest Territories governments will jointly defend any such proceedings and the cost of defending the actions and any damages that may eventually be awarded will be shared by the two governments 44.34% and 55.66%, respectively. An estimate of any liability that may result from these actions is not determinable at this time; consequently no liability has been accrued.

17 CONTINGENCIES (continued)

There are a number of claims and threatened litigation cases outstanding against the Government for which the outcomes are not determinable, including a number of cases where an amount is not specified. The nature of these claims include wrongful dismissal, breach of policy, personal injury, sexual abuse, negligence, wrongful arrest and assault. As of March 31, 2011, all of these claims have been assessed as being either without merit or not determinable at this time.

(e) Pay equity

There are a number of pay equity claims outstanding against the Government of Nunavut primarily for job rating evaluations of specific trades. The Government is working with Nunavut Employees Union in order to resolve the claims. However, the outcome of these claims is not currently known. As of March 31, 2011, no provision has been made in these financial statements.

(f) Loan guarantees

As part of its financing, the Qulliq Energy Corporation (QEC) has arranged various credit facilities at different terms and interest rates. The Government has guaranteed the following QEC credit facilities:

	2011	2010
Bank credit facility, interest at prime	16,314	9,751
20 year redeemable amortizing debenture due 2021, interest rate of 6.809%	49,794	51,987
Floating rate capital loan facility drawn on April 30, 2007, interest at prime	4,200	4,900
Floating rate capital loan facility drawn on November 21, 2007, interest at prime	5,333	6,133
Floating rate capital loan facility drawn on July 25, 2010, interest at prime	7,400	-
Total guarantees provided on balances outstanding	83,041	72,771

The bank credit facility limit is $24,000. The floating rate capital loan facility limit is $24,000.

Based on its operational needs, the Nunavut Development Corporation (NDC) may from time to time be in a bank overdraft position. The overdraft is guaranteed by the Government, and interest on the overdraft is charged based on a rate of prime plus 0.50% per annum. Interest is charged only when NDC's operating account is in an overdraft position and the pooled accounts of the Government are also in an overdraft position. As at March 31, 2011, NDC's bank overdraft position was $13 (2010 - $12).

18 RELATED PARTIES

Transactions with related parties and balances at year-end, not disclosed elsewhere in the financial statements, are disclosed in this note. During the year, the Government made grants and contributions to or funded other costs for the following related parties:

	2011	2010
Nunavut Arctic College	2,158	1,931
District Education Authorities	13,185	12,484
Qulliq Energy Corporation	23,364	6,716
Nunavut Development Corporation	3,440	3,784
Nunavut Business Credit Corporation	450	450
	42,597	25,365

Under agreements with related boards and agencies, the Government provides services at cost or for a service fee where direct costs cannot be determined. The fees charged for indirect costs are not necessarily the cost of providing those services. Services provided include personnel, payroll, financial, procurement, accommodation, buildings and works, utilities, legal, and interpretation services. Direct costs of $35,598 (2010 - $31,188) were incurred and recovered from related parties. Grants and contributions from the Government of Nunavut to Nunavut Arctic College and Nunavut Housing Corporation are disclosed separately in the Schedule of Expenses Funded under Approved Appropriations (Schedule B.1).

19 TRUSTS UNDER ADMINISTRATION

The Government administers trust accounts on behalf of third parties, which are not included in the reported Government assets and liabilities.

	2011	2010
Public Trustee	4,340	4,096
Victims' Assistance Trust	536	289
Natural Resources Conservation Trust	280	277
Millennium Scholarship Fund	8	8
Scholarship Fund	42	41
Territorial Court Trust	807	129
Maintenance Enforcement Trust	107	50
Young Offenders Welfare Trust	3	18
Baffin Correctional Centre Welfare Trust	-	8
Baffin Correctional Centre Inmate Trust	12	25
Young Offenders Trust	15	6
Sherriff's Imprest Account	10	10
Nunavut Labour Standards Board Trust	3	3
HSS - Akausisarvik	9	11
HSS - Ikpigusukniqmut Foundation	-	95
	6,172	5,066

20 PROJECTS FUNDED UNDER THIRD-PARTY AGREEMENTS

Under agreements with the Government of Canada and others, the government receives full or partial funding for eligible expenses incurred on various specific projects. The following is a summary of the various project related revenues and expenses funded during the year.

		2011	2010
Revenues			
	From the Government of Canada	112,439	98,245
	From others	3,712	3,862
		116,151	102,107
Expenses			
	Compensation and benefits	14,908	14,096
	Grants and contributions	47,224	30,391
	Other	52,106	56,373
	Amortization of tangible capital assets	1,913	1,247
		116,151	102,107

21 BUDGET ADJUSTMENTS

The 2011 budget deficit of $11,388 is $5,410 lower than the budget deficit of $16,798 disclosed on page x of the 2010-2011 Main Estimates. The $5,410 represents principal repayments required during the year on capital leases that had been included in the operations and maintenance budgeted amounts. As principal repayments are not expenses, they have been removed from the operations and maintenance budget totals for financial statement reporting purposes.

The 2011 revenue budget includes $1,284,069 of 'Revenues' and $64,320 of 'Vote 5 Revenues' on page x of the 2010-2011 Main Estimates, plus $18,460 of funding under third-party agreements for specific capital projects included in Appendix IV of the 2010-2011 Capital Estimates. The planned expenses to be funded by these additional revenues have been added to the affected budget totals disclosed in these statements.

22 PREPAID EXPENSES

The balance includes $9,629 of 2011-12 funding for municipalities that was advanced on March 31, 2011. This was one day prior to the effective date (i.e., April 1, 2011) of the statutory spending authority for the 2011-12 expenditure appropriations. These prepaid expenses will be charged as grants and contributions during the 2011-12 year.

23 OVER-EXPENDITURES

Section 32 of the *Financial Administration Act* states "....No person shall incur an expenditure that causes the amount of the item set out in the Estimates on which the appropriation is based to be exceeded."

Based on the balances reported in Schedule B.1, the Department of Justice exceeded its appropriation limit by $77 for 2010-11. Under Section 36(2) the excess spending is covered by an interim appropriation, which under Section 36(4) is to be "...submitted in the form of a supplementary appropriation bill to the Legislative Assembly not later than 15 days after the tabling of the Public Accounts for the fiscal year in which the expenditure was charged."

24 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the current year's presentation.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Non-Consolidated Schedule of Revenues by Source (unaudited)
for the year ended March 31, 2011
(in thousands of dollars)

Schedule A

	2011 Budget	2011 Actual	2010 Actual
From the Government of Canada			
Territorial Formula Financing Agreement	1,090,600	1,090,553	1,022,060
Transfers under third-party funding agreements	82,780	112,439	98,245
Other transfer payments	76,600	74,608	80,286
	1,249,980	1,277,600	1,200,591
Revenues generated by the Government of Nunavut			
Taxation revenues			
Personal income tax	12,200	19,816	18,150
Corporate income tax	6,400	9,034	7,451
Payroll tax	17,000	19,803	17,616
Tobacco tax	11,900	13,058	12,305
Fuel tax	5,400	5,924	3,408
Property tax	1,600	2,019	1,534
Insurance tax	300	1,018	852
	54,800	70,672	61,316
Other revenues			
Petroleum Products Division revenue - net of cost of goods sold of $139,104 (2010 - $127,050)	24,051	45,627	35,519
Liquor revenue - net of cost of goods sold of $2,670 (2010 - $2,582)	3,818	3,668	2,839
Staff housing recoveries	15,000	16,224	15,544
Transfers under third-party funding agreements	-	3,712	3,862
Other	19,200	15,696	13,036
	62,069	84,927	70,800
Recoveries of prior years expenditures (Schedule 1)	-	10,818	13,668
Total revenues (Note 21)	**1,366,849**	**1,444,017**	**1,346,375**

TOTALS	Original Budget	Supplementary Appropriations	Transfers	Revised Budget	Actual	(Over) Under Budget
FUNDED UNDER APPROVED APPROPRIATIONS (Schedule B.1)						
Operations and maintenance expenses before amortization	1,084,003	56,849	-	1,140,852	1,128,268	12,584
Plus: Amortization expenses on tangible capital assets	38,032	-	-	38,032	42,795	(4,763)
Total operations and maintenance expenses	1,122,035	56,849	-	1,178,884	1,171,063	7,821
Capital expenditures	111,285	147,153	-	258,438	181,677	76,761
Less: Transfers to tangible capital assets	(82,162)	-	-	(82,162)	(66,704)	(15,458)
Total capital expenses	29,123	147,153	-	176,276	114,973	61,303
Total appropriation expenses	1,151,158	204,002	-	1,355,160	1,286,036	69,124
FUNDED UNDER THIRD-PARTY AGREEMENTS (Schedule B.2)						
Operations and maintenance expenses before amortization	64,320	-	-	64,320	114,238	(49,918)
Plus: Amortization expenses on tangible capital assets	-	-	-	-	1,913	(1,913)
Total operations and maintenance expenses	64,320	-	-	64,320	116,151	(51,831)
Capital expenditures	18,460	-	-	18,460	28,674	(10,214)
Less: Transfers to tangible capital assets	-	-	-	-	(28,674)	28,674
Total capital expenses	18,460	-	-	18,460	-	18,460
Total third-party agreement expenses	82,780	-	-	82,780	116,151	(33,371)
FUNDED BY REVOLVING FUNDS (Schedule B.3)						
Operations and maintenance expenses before amortization	26,699	-	-	26,699	21,781	4,918
Plus: Amortization expenses on tangible capital assets	-	-	-	-	-	-
Total operations and maintenance expenses	26,699	-	-	26,699	21,781	4,918
Capital expenditures	-	-	-	-	-	-
Less: Transfers to tangible capital assets	-	-	-	-	-	-
Total capital expenses	-	-	-	-	-	-
Total revolving fund expenses	26,699	-	-	26,699	21,781	4,918
NON-CONSOLIDATED STATEMENTS TOTALS						
Operations and maintenance expenses before amortization	1,175,022	56,849	-	1,231,871	1,264,287	(32,416)
Plus: Centrally estimated 'Supplementary Requirements' per page x of 2010-2011 Main Estimates	55,400	(55,400)	-	-	-	-
Total operations and maintenance expenses before amortization	1,230,422	1,449	-	1,231,871	1,264,287	(32,416)
Plus: Amortization expenses on tangible capital assets	38,032	-	-	38,032	44,708	(6,676)
Total operations and maintenance expenses	1,268,454	1,449	-	1,269,903	1,308,995	(39,092)
Capital expenditures	129,745	147,153	-	276,898	210,351	66,547
Plus: Centrally estimated capital carryovers from prior year included in 'Capital' on page x of 2010-2011 Main Estimates	62,200	(62,200)	-	-	-	-
Total capital expenditures	191,945	84,953	-	276,898	210,351	66,547
Less: Transfers to tangible capital assets	(82,162)	-	-	(82,162)	(95,378)	13,216
Total capital expenses	109,783	84,953	-	194,736	114,973	79,763
Total expenses	**1,378,237**	**86,402**	-	**1,464,639**	**1,423,968**	**40,671**

Total expenses above includes, among other items, interest expense of $5,486 (2010 - $5,992) and a net decrease in valuation allowances of $579 (2010 - $1,706 net increase).

GOVERNMENT OF NUNAVUT Schedule B.1

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Expenses Funded under Approved Appropriations (unaudited)

for the year ended March 31, 2011

(in thousands of dollars)

APPROPRIATIONS	Original Budget	Supplementary Appropriations	Transfers	Revised Budget	Actual	(Over) Under Budget
LEGISLATIVE ASSEMBLY						
Operations and maintenance						
Compensation and benefits	8,150	-	-	8,150	8,322	(172)
Grants and contributions	-	-	-	-	-	-
Other	7,358	530	-	7,888	7,551	337
	15,508	530	-	16,038	15,873	165
Capital expenditures	1,482	1,092	-	2,574	879	1,695
Total spending under appropriations	16,990	1,622	-	18,612	16,752	1,860
EXECUTIVE AND INTERGOVERNMENTAL AFFAIRS						
Operations and maintenance						
Compensation and benefits	11,813	(526)	(610)	10,677	9,963	714
Grants and contributions	406	100	25	531	400	131
Other	5,347	-	585	5,932	5,157	775
	17,566	(426)	-	17,140	15,520	1,620
Capital expenditures	-	-	-	-	-	-
Total spending under appropriations	17,566	(426)	-	17,140	15,520	1,620
FINANCE						
Operations and maintenance						
Compensation and benefits	22,063	(1,299)	(102)	20,662	21,431	(769)
Grants and contributions	7,400	16,026	-	23,426	23,395	31
Other	28,006	(425)	102	27,683	24,911	2,772
	57,469	14,302	-	71,771	69,737	2,034
Capital expenditures	1,250	4,934	-	6,184	4,419	1,765
Total spending under appropriations	58,719	19,236	-	77,955	74,156	3,799
HUMAN RESOURCES						
Operations and maintenance						
Compensation and benefits	16,214	(438)	(632)	15,144	14,256	888
Grants and contributions	-	-	-	-	-	-
Other	6,616	(247)	632	7,001	5,158	1,843
	22,830	(685)	-	22,145	19,414	2,731
Capital expenditures	-	-	-	-	-	-
Total spending under appropriations	22,830	(685)	-	22,145	19,414	2,731
JUSTICE						
Operations and maintenance						
Compensation and benefits	28,165	(675)	(300)	27,190	29,078	(1,888)
Grants and contributions	8,905	2,500	-	11,405	10,667	738
Other	40,982	622	300	41,904	40,831	1,073
	78,052	2,447	-	80,499	80,576	(77)
Capital expenditures	16,600	11,459	-	28,059	16,804	11,255
Total spending under appropriations	94,652	13,906	-	108,558	97,380	11,178

GOVERNMENT OF NUNAVUT **Schedule B.1**

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Expenses Funded under Approved Appropriations (unaudited)

for the year ended March 31, 2011

(in thousands of dollars)

APPROPRIATIONS	Original Budget	Supplementary Appropriations	Transfers	Revised Budget	Actual	(Over) Under Budget
CULTURE, LANGUAGE, ELDERS AND YOUTH						
Operations and maintenance						
Compensation and benefits	10,767	(545)	(740)	9,482	9,126	356
Grants and contributions	7,642	-	200	7,842	7,180	662
Other	5,423	(820)	540	5,143	3,616	1,527
	23,832	(1,365)	-	22,467	19,922	2,545
Capital expenditures	7,060	(603)	-	6,457	3,687	2,770
Total spending under appropriations	30,892	(1,968)	-	28,924	23,609	5,315
EDUCATION						
Operations and maintenance						
Compensation and benefits	123,470	3,820	-	127,290	135,796	(8,506)
Grants and contributions	62,373	2,680	-	65,053	57,702	7,351
Other	20,915	(2,692)	-	18,223	15,800	2,423
	206,758	3,808	-	210,566	209,298	1,268
Capital expenditures	12,910	12,864	-	25,774	21,615	4,159
Total spending under appropriations	219,668	16,672	-	236,340	230,913	5,427
HEALTH AND SOCIAL SERVICES						
Operations and maintenance						
Compensation and benefits	105,357	-	(5,863)	99,494	105,196	(5,702)
Grants and contributions	6,169	(90)	571	6,650	5,059	1,591
Other	152,981	40,622	5,292	198,895	193,249	5,646
	264,507	40,532	-	305,039	303,504	1,535
Capital expenditures	1,050	6,430	-	7,480	2,492	4,988
Total spending under appropriations	265,557	46,962	-	312,519	305,996	6,523
ENVIRONMENT						
Operations and maintenance						
Compensation and benefits	13,372	(563)	(250)	12,559	13,261	(702)
Grants and contributions	1,891	-	87	1,978	1,708	270
Other	4,876	758	163	5,797	5,268	529
	20,139	195	-	20,334	20,237	97
Capital expenditures	2,160	545	-	2,705	1,330	1,375
Total spending under appropriations	22,299	740	-	23,039	21,567	1,472
COMMUNITY AND GOVERNMENT SERVICES						
Operations and maintenance						
Compensation and benefits	35,879	(2,115)	28	33,792	35,706	(1,914)
Grants and contributions	53,811	142	(99)	53,854	52,701	1,153
Other	82,950	(2,398)	71	80,623	79,464	1,159
	172,640	(4,371)	-	168,269	167,871	398
Capital expenditures	35,954	41,184	-	77,138	39,129	38,009
Total spending under appropriations	208,594	36,813	-	245,407	207,000	38,407

GOVERNMENT OF NUNAVUT **Schedule B.1**

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Expenses Funded under Approved Appropriations (unaudited)

for the year ended March 31, 2011

(in thousands of dollars)

APPROPRIATIONS	Original Budget	Supplementary Appropriations	Transfers	Revised Budget	Actual	(Over) Under Budget
ECONOMIC DEVELOPMENT AND TRANSPORTATION						
Operations and maintenance						
Compensation and benefits	15,113	(300)	(700)	14,113	14,777	(664)
Grants and contributions	20,044	(306)	(555)	19,183	18,228	955
Other	18,127	493	1,255	19,875	19,898	(23)
	53,284	(113)	-	53,171	52,903	268
Capital expenditures	5,550	13,148	-	18,698	7,953	10,745
Total spending under appropriations	58,834	13,035	-	71,869	60,856	11,013
NUNAVUT HOUSING CORPORATION						
Operations and maintenance						
Compensation and benefits	-	-	-	-	-	-
Grants and contributions	132,642	2,625	-	135,267	135,267	-
Other	-	-	-	-	-	-
	132,642	2,625	-	135,267	135,267	-
Capital expenditures	27,269	56,100	-	83,369	83,369	-
Total spending under appropriations	159,911	58,725	-	218,636	218,636	-
NUNAVUT ARCTIC COLLEGE						
Operations and maintenance						
Compensation and benefits	-	-	-	-	-	-
Grants and contributions	24,186	(630)	-	23,556	23,556	-
Other	-	-	-	-	-	-
	24,186	(630)	-	23,556	23,556	-
Capital expenditures	-	-	-	-	-	-
Total spending under appropriations	24,186	(630)	-	23,556	23,556	-
TOTALS						
Operations and maintenance						
Compensation and benefits	390,363	(2,641)	(9,169)	378,553	396,912	(18,359)
Grants and contributions	325,469	23,047	229	348,745	335,863	12,882
Other	373,581	36,443	8,940	418,964	400,903	18,061
	1,089,413	56,849	-	1,146,262	1,133,678	12,584
Less: Principal repayments on capital leases included in spending appropriations above	(5,410)	-	-	(5,410)	(5,410)	-
Operations and maintenance expenses before amortization	1,084,003	56,849	-	1,140,852	1,128,268	12,584
Plus: Amortization expenses on tangible capital assets	38,032	-	-	38,032	42,795	(4,763)
Total operations and maintenance expenses	1,122,035	56,849	-	1,178,884	1,171,063	7,821
Capital expenditures	111,285	147,153	-	258,438	181,677	76,761
Less: Transfers to tangible capital assets	(82,162)	-	-	(82,162)	(66,704)	(15,458)
Total capital expenses	29,123	147,153	-	176,276	114,973	61,303
Total appropriation expenses	**1,151,158**	**204,002**	-	**1,355,160**	**1,286,036**	**69,124**

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS

Schedule B.2

Non-Consolidated Schedule of Expenses Funded under Third-Party Agreements (unaudited)

for the year ended March 31, 2011

(in thousands of dollars)

By Department	Original Budget	Actual	(Over) Under Budget
Legislative Assembly	-	1	(1)
Executive and Intergovernmental Affairs	3,325	977	2,348
Finance	12,500	1,267	11,233
Human Resources	-	-	-
Justice	797	1,794	(997)
Culture, Language, Elders and Youth	2,750	2,699	51
Education	8,932	6,652	2,280
Health and Social Services	35,382	49,226	(13,844)
Environment	750	3,634	(2,884)
Community and Government Services	10,710	38,637	(27,927)
Economic Development and Transportation	7,634	11,264	(3,630)
Nunavut Housing Corporation	-	-	-
Nunavut Arctic College	-	-	-
	82,780	116,151	(33,371)

By Category	Original Budget	Actual	(Over) Under Budget
Operations and maintenance			
Compensation and benefits	-	14,908	-
Grants and contributions	-	47,224	-
Other	-	52,106	-
Operations and maintenance expenses before amortization	64,320	114,238	(49,918)
Plus: Amortization expenses on tangible capital	-	1,913	(1,913)
Total operations and maintenance expenses	64,320	116,151	(51,831)
Capital expenditures	18,460	28,674	(10,214)
Less: Transfers to tangible capital assets	-	(28,674)	28,674
Total capital expenses	18,460	-	18,460
Total third-party agreement expenses	82,780	116,151	(33,371)

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS

Schedule B.3

Non-Consolidated Schedule of Expenses Funded by Revolving Funds (unaudited)

for the year ended March 31, 2011

(in thousands of dollars)

By Revolving Fund	Original Budget	Actual	(Over) Under Budget
Liquor	2,005	2,213	(208)
Petroleum Products	24,694	18,422	6,272
Public Stores	-	900	(900)
Student Loan	-	246	(246)
	26,699	21,781	4,918

By Category	Original Budget	Actual	(Over) Under Budget
Operations and maintenance			
Compensation and benefits	4,723	4,715	8
Grants and contributions	-	-	-
Other expenses	21,976	17,066	4,910
Operations and maintenance expenses before amortization	26,699	21,781	4,918
Plus: Amortization expenses on tangible capital assets	-	-	-
Total operations and maintenance expenses	26,699	21,781	4,918
Capital expenditures	-	-	-
Less: Transfers to tangible capital assets	-	-	-
Total capital expenses	-	-	-
Total revolving fund expenses	26,699	21,781	4,918

The Student Loan Fund budget of $135 was included in the Department of Education on Schedule B.1 as per the tabled Main Estimates.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS

Schedule C

Non-Consolidated Schedule of Tangible Capital Assets (unaudited)

for the year ended March 31, 2011

(in thousands of dollars)

	Buildings	Tank Farms	Infra-structure	Leased Buildings	Storage Facilities	Equipment	2011	2010
Cost of tangible capital assets								
Opening balance	651,002	117,011	115,715	114,873	30,998	38,244	1,067,843	1,004,804
Additions	2,028	-	262	-	-	5,220	7,510	9,957
Transferred from work in progress	120,482	34,063	34,623	-	-	6,398	195,566	58,168
Dispcsals	-	-	-	-	-	-	-	(5,086)
Closing balance	773,512	151,074	150,600	114,873	30,998	49,862	1,270,919	1,067,843
Accumulated amortization								
Opening balance	(162,295)	(40,052)	(38,321)	(37,254)	(11,838)	(31,665)	(321,425)	(285,244)
Amortization	(25,709)	(5,036)	(4,948)	(3,829)	(978)	(4,208)	(44,708)	(37,656)
Disposals	-	-	-	-	-	-	-	1,475
Closing balance	(188,004)	(45,088)	(43,269)	(41,083)	(12,816)	(35,873)	(366,133)	(321,425)
Work in progress								
Opening balance	126,124	25,319	30,079	-	4	13,486	195,012	144,871
Additions	57,067	8,744	9,671	-	-	12,386	87,868	108,309
Transferred to cost of tangible capital assets	(120,482)	(34,063)	(34,623)	-	-	(6,398)	(195,566)	(58,168)
Closing balance	62,709	-	5,127	-	4	19,474	87,314	195,012
Net book value	648,217	105,986	112,458	73,790	18,186	33,463	992,100	941,430
Estimated useful life	**30 Years**	**30 Years**	**30 Years**	**30 Years**	**30 Years**	**5-30 Years**		

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS

Schedule 1

Non-Consolidated Schedule of Recoveries of Prior Years Expenditures (unaudited)

for the year ended March 31, 2011

(in thousands of dollars)

Department	Over Accruals	Other Recoveries	Total
Executive and Intergovernmental Affairs	-	1	1
Finance	2,222	207	2,429
Human Resources	177	8	185
Justice	132	813	945
Culture, Language, Elders and Youth	-	118	118
Education	486	588	1,074
Health and Social Services	868	128	996
Environment	61	632	693
Community and Government Services	2,739	539	3,278
Economic Development and Transportation	1,099	-	1,099
	7,784	3,034	10,818

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS

Schedule 2

Non-Consolidated Schedule of Special Warrants (unaudited)

for the year ended March 31, 2011

(in thousands of dollars)

	Date of FMB Approval	Amount Authorized
OPERATIONS AND MAINTENANCE		
There were no Special Warrants during the year.		
Total operations and maintenance		-
CAPITAL		
There were no Special Warrants during the year.		
Total capital		-

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Non-Consolidated Schedule of Inter-Activity Transfers Over $250,000 (unaudited)
for the year ended March 31, 2011
(in thousands of dollars)

	Transfer to (from)	
OPERATIONS AND MAINTENANCE		
Executive and Intergovernmental Affairs		
Directorate	(700,000)	
Intergovernmental Affairs	630,000	Transfer funds
Sustainable Development	230,000	
Directorate	(160,000)	
Finance		
Directorate	(407,000)	
Comptrollership	(726,000)	Transfer funds
Directorate	370,000	
Comptrollership	763,000	
Human Resources		
Community Operations	255,000	Transfer funds
Training and Development	(255,000)	
Staffing	590,000	Transfer funds
Directorate	(590,000)	
Health and Social Services		
Directorate	321,000	Transfer funds
Treatment	(321,000)	
Social Programs	550,000	Transfer funds
Treatment	(550,000)	
Social Programs	500,000	Transfer funds
Treatment	(500,000)	
Social Programs	300,000	Transfer funds
Treatment	(300,000)	
Economic Development and Transportation		
Community Economic Development	(100,000)	
Corporate Management	(200,000)	Transfer funds
Transportation	300,000	
Corporate Management	(300,000)	Transfer funds
Transportation	300,000	
CAPITAL		
Community and Government Services		
Capital Planning and Technical Services	(1,160,000)	Capital budget adjustments
Petroleum Products Division	1,160,000	

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS

Schedule 4

Non-Consolidated Schedule of Debenture Loans Receivable from Municipalities (unaudited)

for the year ended March 31, 2011

(in thousands of dollars)

	Original Amount	Balance April 1, 2010	Accrued Interest	Valuation Adjustment	Principal Payments	Balance March 31, 2011
City of Iqaluit	3,898	447	25	-	(466)	6
Less: valuation allowance	-	(100)	-	100	-	-
	3,898	347	25	100	(466)	6

Non-Consolidated Schedule of Student Loan Remissions (unaudited)

for the year ended March 31, 2011

Under the *Student Financial Assistance Regulations,* the Government may forego collection of students' loans, provided certain criteria are met. The students listed below, having met the academic and the employment or residency criteria, have qualified and been granted remission of their loans. The *Financial Administration Act* states that any such write-off, if over $500, must be disclosed in the Public Accounts.

Alexander, Nathanial	7,482
Anawak, Jennifer	3,200
Bodner, Jenine	3,206
Chemko, Erika	2,134
Illaszewicz, George	3,200
Larabie, Nicolas	3,288
Main, Heather	1,307
McDermott, Sarah	6,243
Parks, Anisa	9,675
Sanguin, Kevin	15,300
Stubbing, Melanie	312
Young, Daniel	950
	56,297

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS

Schedule 6

Non-Consolidated Schedule of Contractual Obligations under Operating Leases (unaudited)

for the year ended March 31, 2011

(in thousands of dollars)

	2012	2013	2014	2015	2016	>2016	Total
Headquarters	5,541	4,823	3,134	1,948	1,713	4,703	21,862
Qikiqtaaluk	869	838	684	671	624	1,340	5,026
Kivalliq	3,608	3,150	2,686	1,818	1,491	1,324	14,077
Kitikmeot	1,429	1,397	1,342	818	624	4,581	10,191
	11,447	10,208	7,846	5,255	4,452	11,948	51,156